

Miners will vote on pay and productivity deal

Miners are to decide in a secret ballot this month whether to accept a productivity deal recommended to them yesterday by their union executive. A claim for rises of up to ten pence on basic rates has, in effect, been postponed. Mr. Barnett, the Treasury minister, said last night that people should not pin their hopes on big tax cuts in Mr. Healey's economic measures expected next month.

Demand for 90% rise postponed

Paul Routledge, Labour Editor, said yesterday that the miners' vote on a productivity deal recommended to them yesterday by their union executive. A claim for rises of up to ten pence on basic rates has, in effect, been postponed. Mr. Barnett, the Treasury minister, said last night that people should not pin their hopes on big tax cuts in Mr. Healey's economic measures expected next month.

Police pay a special case, Tories are told

From Hugh Noyes, Parliamentary Correspondent, Blackpool. A plea on behalf of the police, now nine thousand officers below the official estimate of what is needed, was made at the Conservative Conference yesterday by Mr. Whitelaw, the Tory deputy leader and home affairs spokesman.



Mr. Whitelaw: Pledge of parliamentary debate on capital punishment.

Oil firms seek biggest rip-off in history, President Carter says

From Patrick Brogan, Washington, Oct 13. President Carter launched a frontal assault on the oil companies today, blaming them for the destruction of his energy policy in the Senate. He repeated that the energy crisis was the moral equivalent of war, and said that, as in every war, there were profiteers.

Slump in trade forces Rhodesia to devalue

From Fred Cleary, Salisbury, Oct 13. Mr. David Smith, the Minister of Finance, announced today that he had devalued the Rhodesian dollar by 3 per cent against the South African rand and by 6 per cent in relation to other currencies.

Treasury warning on tax cuts

People should not pin their hopes on big tax cuts, Mr. Barnett, the Treasury minister, said last night. Socialists would impose severe penalties on any cuts in direct tax at the Chancellor is planning part of his proposed economic measures.

Pay beds to be cut by a further tenth

Proposals by the Independent Health Services Board to reduce the number of hospital pay beds by a further tenth before April will be put into effect by the Government, Mr. Ennals, Secretary of State for Social Services, said.

Anger at Grunwick

Grunwick strike committee members are angry at what they see as the failure of the union, to exploit the opportunity that arose when the company's water supplies were switched off to allow water board workmen to make repairs.

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Mr Tarling loses fight on extradition

Mr. Richard Tarling, aged 42, former chairman of Haw Par Brothers International, has lost his fight against extradition to Singapore.

Disabled benefit lost

The Government's decision to delay benefit for disabled housewives means that some of them have passed their sixtieth birthdays and are too old to qualify. Once the allowance starts it will be paid to women over 60 who are not entitled to any other pension.

RAF accused by air assistants of strike-breaking

The air assistants' union has accused the Ministry of Defence of strike-breaking after RAF personnel supported by 60 policemen had delivered fuel to maintain the West Drayton air traffic control computer near Heathrow. The authorities said the computer was vital to defence, but the union maintained that members had never been told they were working on a computer used for RAF purposes.

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11 beauty queens in hijack

Larnaca, Cyprus, Oct 13.—Hijackers seized a Lufthansa liner on the Mediterranean today, forced it to go to Cyprus and threatened to blow it up unless they were given fuel to fly to Beirut. Sources said they also demanded the release of terrorists in West German jails.

Chimp heart transplant

The heart of a chimpanzee was transplanted into a male patient by Dr. Christian Barnard in Cape Town's Groote Schuur hospital last night. The patient was said to be doing fine shortly afterwards. The chimpanzee's heart is intended to help the patient's own ailing one.

Bad day for dollar

The dollar had another bad day on the foreign exchange market, losing ground against most currencies. The Japanese yen soared to a record level against the dollar on the London market, while sterling closed at a new one-year high of \$1.638.

Nobel Prize shared

Three Americans shared the Nobel Prize for Physiology and Medicine. Dr. Rosalyn Yalow, of New York, received half the prize for her development of the immunodiffusion method of measuring hormones. Dr. Andrew Schally, of New Orleans, shared the other half for work on peptide hormones of the brain.

Germans v 'Le Monde'

Attacked by the West German press for the prominence he gave an article sympathizing with the Baader-Meinhof terrorists, the editor of Le Monde, in turn, says he has done no more than provoke a salutary debate in the Federal Republic.

Poll favours reforms

A survey published in a leading African newspaper suggests that the South African Government could move ahead much faster in introducing race reforms and still retain the support of the majority of its voters. The Government is criticized as being "needlessly hesitant".

Mistresses' rights

The new law on domestic violence does not give a mistress property rights comparable to those enjoyed by a wife, the Court of Appeal ruled, holding that she was not entitled to an order for the removal of the violent father of her children from their home.

Detective is suspended

A detective sergeant in the Metropolitan Police has been suspended from duty after an investigation into the facts as published in the Daily Express on September 24 of photographs of the arrest of a group of alleged bank robbers.

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HOME NEWS

Air assistants allege
RAF strike-breaking
in computer operationBy Christopher Thomas
Labour Reporter

An early morning operation by the RAF to move fuel supplies to the West Drayton air traffic control computer near Heathrow angered trade unionists yesterday.

At 2 pm RAF personnel supported by 60 policemen moved 12 military petrol tankers through a dozen pickets to ensure that the computer, said to be vital to Britain's defences, was not halted.

It seems that the generators for the computer have enough fuel for 10 days. If there is no settlement of a protracted strike by air traffic control assistants it is expected that another operation will be mounted.

Mr Kenneth Thomas, general secretary of the union concerned, the Civil and Public Services Association, maintained that the Government had never told the union that the computer was vital to defences.

"I plead not guilty to trying to impair the security of this country or Nato's defence exercises. I accuse the Ministry of Defence of strike breaking. There has been a real intervention in a purely industrial dispute."

"My members have never been cleared for security purposes. I take leave to doubt the veracity of the statement that a civilian computer is an essential part of the defence of this country."

West Drayton has two main entrances, one for civilian use, one for the military. Picketing of the military entrance began

after the union had alleged that it was being used for civilian deliveries. The union has offered to withdraw pickets from the military entrance "within the hour" if there is a written undertaking that civilian deliveries will not pass through it.

Mr Thomas said there was no doubt that without the RAF's intervention the civilian computer would have been halted.

RAF sources said there were three days' supply left. The Ministry of Defence insisted last night that the move was made for security reasons.

One of the pickets, Mr Arthur Houlton, said the police arrived in a coach at 2 am and held back the pickets from the gates. "We did not resist because there was no point. All we could do was shout things like 'scabs'. We were only 12 against military force."

A letter to the union from Mr Dell, Secretary of State for Trade, yesterday, said ministers had decided "with very great regret" to arrange fuel deliveries to West Drayton. "These generators are vital to the work of the air defence data centre, which is the essential hub of national air defence arrangements." It was a "very special case", he said.

Meanwhile, talks on the air traffic control assistants' pay grievance were continuing last night. The union has said it would be willing for its claim to be phased rather than implemented in one stage. The strike is continuing to cause delays at British airports.

Dispute halts telegrams

The Post Office yesterday suspended the international letter telegram service in London and the South-east because of an overtime ban by some London overseas telegraph operators.

Letter telegrams, non-urgent messages costing less than ordinary telegrams, to and from

other parts of the country will not be affected, nor will urgent telegrams, although they may be delayed several days in the South-east.

The union of Post Office Workers says the management is trying to run down the telegram service by staff cuts and economies.

Lost chance
to cut
off water at
Grunwick

By Robert Parker

There was anger among members of the Grunwick strike committee yesterday at what they see as the failure of the Association of Professional, Executive, Clerical and Computer Staff (Apex), their union, to exploit an opportunity to turn off the water supply to the film processing company.

The opportunity came yesterday morning just after 8 am when the water board had to turn off the supply in Chapter Road, Willesden, which supplies one of Grunwick's factories and local houses.

The water was turned off because of a repair, which took about six hours, and in that time there was some frantic union activity to try to persuade the repair men not to turn the water back on.

The attempts were unsuccessful, however, and when the water was turned on again, despite the presence of about 40 pickets from local building sites, members of the strike committee bitterly criticized Apex for not acting faster.

Mr Jack Dromey, secretary of Great Britain's Council which has been advising strikers since the dispute began 14 months ago, said that Apex was supposed to have made arrangements with the General and Municipal Workers' Union, which has members in the water industry, not to carry out any repairs in the event of a breakdown.

Repairs are often carried out by contractors, however, and yesterday three men from William Press arrived to do the work. "Apex had obviously not foreseen that possibility, and were unable to do anything about it," Mr Dromey said. "It was a lost opportunity to get at Grunwick and the strikers feel pretty angry about it."

Only one of the three men from William Press was a union member. He was persuaded to stop work, but the others carried on to complete the job, filmed by BBC and ITV film crews, who are making programmes on the dispute.

As soon as Grunwick strikers, who were on their own picket duty, saw the water being turned off they reported it to their headquarters.

The local Apex official, Mr Len Gristey, rang the TUC. The TUC rang the GMWU asking them to take action. The GMWU said they would if they were officially asked to do so by Apex, and the Transport and General Workers Union, which has seven members involved in the Grunwick dispute.

Before the full official procedure had been gone through, water, of which Grunwick use large quantities, was running again.

Dons to debate
student voice

Students at Oxford University may soon get the right to speak at meetings of Congress, the don's parliament. The resolution will be discussed on November 1.

Under proposals set out in the university Gazette, any junior member would be speaking, enabling minority views to be heard.

Captain Nairac 'never told us anything'

From Craig Seton
Dublin

Liam Townsend, aged 24, charged with murdering Captain Robert Nairac, the Guards officer who disappeared in Northern Ireland, was alleged in the Special Criminal Court in Dublin yesterday to have told the Irish police: "I shot the British captain. He never told us anything. He was a great soldier."

The prosecution called evidence yesterday which, it said, described the last minutes of Captain Nairac's life as told by Mr Townsend, an unemployed joiner from Meigh, Co. Armagh, who has pleaded not guilty to murder and four other firearms and ammunition charges.

Mr Patrick MacEntee, for the defence, challenged Mr Townsend's alleged confession as inadmissible. Mr Justice D'Arcy, president of the court, which sits without a jury, said the evidence could be heard and he would rule on it later.

The prosecution has maintained that Captain Nairac, operating in civilian clothes, was kidnapped by men outside the Three Steps Inn at Dromineer, Co. Armagh, in May, taken south of the border and shot. His body has never been found.

Det. Inspector John Courtney, of the Special Investigations Branch of the Dublin police technical bureau, said that Mr Townsend, after denying knowing anything about Captain Nairac's disappearance, had asked: "How long will I get for this?"

Mr Townsend had said he would tell the truth, and after being cautioned said: "I shot the British captain. He never told us anything. He was a great soldier."

Mr Courtney alleged that Mr Townsend had been drinking at a public house in Dundalk, in the republic, when another man walked in and said: "Get a bit of hardware. There is a job to be done."

They went to a ruined house and Mr Townsend got a .32 revolver and fired it to test it. They went to a bridge near Ravensdale. Mr Townsend said he "had to have the police that they were all there and that he had a lot of drink."

Mr Townsend is alleged to have said: "I asked the captain who he was and who he knew. He said 'Seamus Murphy from Drummeir'. I told him I did not believe him; that he was a British soldier and I had to kill him."

Mr Courtney said Mr Town-

son admitted to the police that he hit Captain Nairac with his fist on the head and with the butt of the gun. Captain Nairac had said: "You are going to kill me. Can I have the priest?"

Mr Townsend had told the police that the captain was in "a bad state". He had added: "I aimed at his head. I only put one in him."

The gun had misfired a few times, Mr Townsend said to have told the police, and that he left the body and went across the fields. When interviewed he said that he did not know where the body was.

Mr Courtney said Mr Townsend was asked about some clothes and he had drawn a rough sketch of an area where they were hidden.

When a map and some copies were produced to the court Mr MacEntee said he required as a matter of urgency that they should be submitted to an expert on forgery. Mr Courtney said Mr Townsend said: "Why did I do it? I wish I was dead."

Mr Townsend has asked for a priest because he wanted to make "a proper confession" and then said: "My conscience is killing me. I cannot sleep since it happened."

The court was told that Mr Townsend, who was arrested on

a Saturday and made his alleged confession the next Monday, had an injection from his own doctor "to calm him" as well as being seen by a police doctor and a priest.

Mr Courtney said that after the interview, Mr Townsend was taken to the Dundalk railway station, near the Dundalk railway, and clothing, guns and ammunition were found.

Mr MacEntee cross-examined Mr Courtney said: "I have to suggest there was no admission."

Mr Courtney said the admission was made. He denied that he was head of a trained group of interrogators.

Earlier, cross-examining Det. Sergeant Christopher Godkin, Mr MacEntee said Mr Townsend would say that he was stood against a wall in Dundalk police station, his shoulders pressed down and the back of his head slapped.

Mr MacEntee added: "You threatened him that he would be taken across the border in a helicopter and left behind a hedge with a hole in his head."

Sergeant Godkin replied that that was untrue, and denied that he and other policemen had been overbearing to Mr Townsend to get him to make a statement.

The trial continues today.

Shawcross scolding for the press

By Marcel Berlins
Legal Correspondent

A combination of lenient sentences by the courts and sensational journalism is playing a part in the increasing crime rate and in violence in the streets.

Lord Shawcross, QC, chairman of the Press Council, said yesterday. Addressing the annual meeting of the Magistrates' Association, he referred to Schenitzky's criticism of inaction by those in positions of power and influence in the West.

"I am not sure that the press, by constantly publishing evil things, or the magistracy, in being too lenient, are really exercising the kind of responsibility being called for by Schenitzky," he said.

He expressed concern that the fear of punishment was no longer an effective deterrent. "Penalties must be tougher. There was a tendency to be too lenient, to fall over back-

wards to let people off or give light sentences.

There was great disillusionment among ordinary people with the general administration of the law. It was reflected in the increasing crime rate and in violence in the streets.

Lord Shawcross suggested that the time has come to make rules of evidence and court procedures rather more realistic, and to be rather more severe, so as to make it appear, as it did not appear at present, that crime does not pay.

At the moment, crime pays and it pays very well and you do not pay tax on it," he said.

On the press, he commented: "Economic conditions, the search for circulation and ratings, has led many of us to play up to the gallery or down to the lowest common denominator and to engage in sensationalism. Unfortunately the titillation of sex provides good circulation."

Attacked girl dies after
machine is switched off

A young woman who was attacked and sexually assaulted was kept alive for 60 hours on a life-support system before doctors, in consultation with her family and friends, decided to switch the machine off.

That was at 6.40 pm on Wednesday. Soon afterwards Miss Caroline Wilkinson, aged 20, of Ranelagh Avenue, Ravenscliffe, Bradford, died, the police chief leading the hunt for her killer, said yesterday.

Detective Chief Superintendent Denis Hoban, deputy head of West Yorkshire CID, said Miss Wilkinson had been clinically dead for some time after being bludgeoned by a man just after she had left her flat. Mr Kevin Best, on Monday morning, she received serious head injuries.

Mr Hoban said: "Every effort was made by a team of surgeons and nurses to resuscitate her, but to no avail. All specific medical and legal requirements had been abided by."

Surgeons and nurses had worked throughout the days and nights from the minute Caroline was taken to the hospital, but there was no chance whatsoever that she could ever have recovered. There is no doubt in my mind at all that her assailant meant to kill her, and did so. I am satisfied the man left her for dead quite deliberately."

Mr Hoban appealed for anyone who knew Miss Wilkinson, or who had left her flat, to come forward. Her attacker was a "vicious killer without any feelings."

Byways of government 3: National Time Service

Ruling life with atomic clocks

By Stewart Tendler

An historian once wrote that the discovery of an accurate means of recording time could be considered the most heinous of all the varied crimes inflicted by the human race upon itself. If that is so then the crime has been aggravated.

There is no longer merely tick tick, clock on the wall time but Greenwich atomic time, universal time, international atomic time, and ephemeris time, to name but a few of the ways the regime that rules our lives has been refined. At the National Time Service, part of the Royal Greenwich Observatory, government scientists now mark the passage of the universe every thousandth of a millionth of a second.

Working amid the parkland of Herstmonceux Castle, Sussex, it is they who provide the BBC with its pips and contribute to the international standard of time. Shown from among the domed telescopes as signals arrive from satellites above the Earth and caesium-beam atomic clocks ceaselessly, noiselessly mark time.

Since its institution in the seventeenth century the observatory has always concerned itself with achieving accurate time-keeping. At first that was an adjunct of its original function of giving mariners adequate means of navigation, but in 1833 the observatory first became responsible for providing the public with a time check with the use of the time ball at Greenwich, providing ships in the Thames with a way of checking their chronometers each day as the ball was dropped from the top of the mast at 1 pm. The timing of the ball is still controlled, indirectly, from Sussex.

Then came the advent of the railway and the need for a uniform time scale across the country. In 1880 Greenwich time was established as the legal standard, although not for Ireland.

Four years later it was agreed internationally that all

longitudes and time zones would be based on the Greenwich meridian and Greenwich time.

In 1924 the BBC introduced the six pips after a scientist giving a radio talk on British Summer Time had finished it with a countdown so that listeners could check their watches. Nowadays the BBC has two handlines open to Herstmonceux 24 hours a day and the pips are transmitted at 15-minute intervals.

In the middle of the 1950s the Greenwich atomic time scale was formed. It was initially calibrated at intervals by reference to an atomic standard developed at the National Physical Laboratory, but now relies on six atomic clocks kept at Herstmonceux. The clocks, unpossessing boxes costing £12,000 each with an expected life span of about ten years, give a much more uniform time scale than the results of astronomical observation.

In 1972 coordinated universal time was introduced, formed from international atomic time by making step adjustments to compensate for the unpredictable variations in the length of the day. The length of the second remains constant but when necessary a leap second is added or subtracted so that clock time is still closely related to the rotation of the Earth and can be used without correction by navigators and surveyors.

A leap second has been added at the last second of every year since 1972. The clocks of each country contributing to the international atomic time scale are checked against each other, using special signals transmitted primarily as radio navigation aids. Receivers at Herstmonceux pick up the pulses and compare them against Greenwich time scales.

The service also monitors other time signals so that their users can relate them to the international system. That is before taking off for the jubilee fly-past in front of the Queen: BBC Monitoring Service.

Greenwich Mean Time was originally formed by adjusting the clocks so that, on average, they agreed with astronomical observations of the rotation of the Earth. The observations are made using a photographic zenith tube, which at its simplest is a telescope staring straight up recording stars as they pass above.

Most nights of the year observers climb the hill to the telescope and operate it for periods of three to seven hours, depending on season and cloud.

The position and time of the stars can be checked against the clocks. Once they were pendulum clocks, but in the 1930s crystal quartz clocks were introduced and now they have been superseded by the atomic clock.

That is so accurate that irregularities in the rotation of the Earth can be picked up. The Earth is in fact slowing down—by one or five million years a day, a day lasted 22 hours—and there are irregularities caused by the seasons and other unpredictable factors. The astronomical observations give the time of day to an accuracy of a few thousandths of a second.

When may be good enough for the man in the street is not accurate enough for astronomers and scientists. More accurate standards are needed for some experiments in radio astronomy, geophysics and some satellite communication systems.

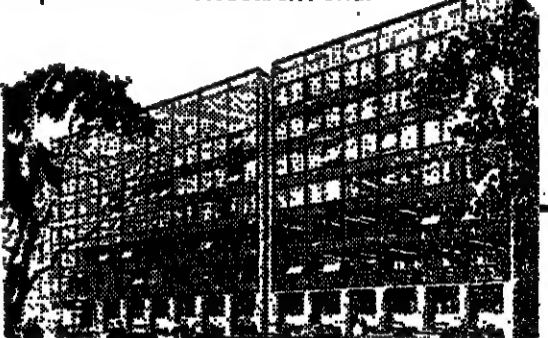
Television signals are also monitored because they can provide very accurate time comparisons, and the service is also on hand when the Admiralty sends out a time signal four times a day to its submarines.

Much of the work of the eight scientists at the service concerns the problems of a highly rarefied world, but they occasionally receive telephone calls from the public about the time or time zones. A few weeks ago the RAF came on the line to check their watches before taking off for the jubilee fly-past in front of the Queen: BBC Monitoring Service.

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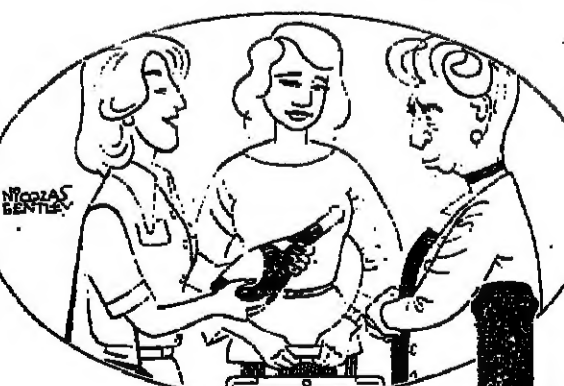
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£1m gift
Oxford's
new med
collegeFrom Our Correspondent
Oxford

An American philanthropist and his wife have given Oxford University £1 million to establish a new medical college.

They are Dr Cecil and Mrs Ida W. DeLois, Texas. Dr Gr in his late sevenies founded a series of hospitals in the United States.

Oxford University, to name the new college, has accepted the gift. The college will be a new medical college, established in the Observatory, and its buildings.

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HOME NEWS

Government to act on proposal for further 10% reduction in the number of pay beds

By Geoffrey Browning

Proposals by the independent Health Services Board to reduce the number of National Health Service pay beds in Britain by a further tenth before April were welcomed yesterday by Mr. Ennals, Secretary of State for Social Services.

In a report published yesterday the board says 317 pay beds in England and four in Wales will be closed before January 1. In Scotland 35 beds will be closed by April 1, to reduce the total number of pay beds in Britain from 3,444 to 3,088.

The board is required under the Health Services Act, 1976, to submit periodic proposals for the progressive revocation of pay bed authorizations, and authorizations relating to the use of outpatient facilities for private practice. It also proposes the withdrawal of consulting room facilities for private non-resident patients at 101 hospitals in England and eight in Wales.

Mr. Ennals said the report confirmed the Government's belief that in many parts of Britain the present number of pay beds was more than necessary to meet demand.

The proposed reductions would be put into effect by the Government, as required by the terms of the Act. In May, the Government abolished 1,000 pay beds under the Act. Further progressive withdrawal was the board's job.

The report emphasizes that the board had looked only at hospitals or groups of hospitals where in the past two years the average occupancy of pay

beds was no higher than a half when measured against the present number of such beds. A rate of a fifth or less was not uncommon in some hospitals. Many individual hospitals covered by group authorizations had rates of a tenth or less.

The board regarded such low occupancy figures as some evidence of a lack of reasonable demand for all pay beds authorized for the hospital or group in question. It regarded them as evidence of the existence of sufficient accommodation elsewhere to meet that part of the demand, if any, for private medicine in the area served that was not directed towards that hospital or group.

The board examined the position of each hospital or group separately and decided that more than enough beds to provide for all reasonable existing and predictable demand would be left.

Authorizations for the use of consulting rooms at particular hospitals would be revoked only where it had been established beyond doubt that no use had been made of facilities in the past two years.

In some hospitals, consulting rooms could still be used for private patients where authorization was not needed for that use.

The ability of the board to propose further revocations at six-monthly intervals will depend on the availability of more detailed information.

The highest number of pay beds lost will be at Bradford Royal Infirmary. Including the maternity unit, the number will be reduced by 17 to 35.

Mr. Anthony Graham, chairman of the British Medical Association's central committee for hospital medical services, which represents all services in the NHS, said: "We are studying the report urgently and are asking consultants in the affected areas to let us know their reactions."

The Hospital Consultants' and Specialists' Association, which has 5,000 members, said: "Since there was no guarantee by Mr. Ennals that the 1,000 pay beds already lost would be used as intended for NHS patients, the phasing-out of another 356 beds will only add to the growing number of empty NHS beds throughout the country."

The report would be studied to assess its legal implications. The association would then decide if action was necessary.

Bope, the private health insurance association, said existing closures had led to lost income to the NHS and no gains for patients.

It added that it did not expect that it would be more difficult to find beds for private patients.

The proposals were welcomed by the National Union of Public Employees as a move in the right direction. "We shall be monitoring progress and hoping it goes a bit faster."

Dr. Gerard Vaughan, Conservative spokesman on health, said the statistics on which the latest decision was based were unreliable.

Withdrawal of Authorizations for the Use of NHS Hospital Accommodation and Services by Private Patients (Command No. 6963; Stationery Office; price 45p).

Jobs vital to mentally ill, says Prime Minister

By a Staff Reporter

Mr. Callaghan, the Prime Minister, yesterday advised mental health groups to enlist the help of trades councils and chambers of commerce in their fight to improve job prospects for the mentally ill.

He told the annual conference in London of the National Association for the Mentally Handicapped that a job was vital for the successful rehabilitation and resettlement of mental patients.

"Most people who have been mentally ill will, at some stage, have had experience of working. Often they will have basic skills to earn their own living if a job is available," he said.

From the point of view of employment they may be regarded as the most easily employable. "Yet we have to try to get people to understand that this is not so."

He said he was glad that the association was involving trade unions nationally in their campaign, and suggested that they should also approach trades councils locally, inviting them to send representatives to their meetings.

If they were not successful at first they should go back again. Trades councils were important because they could influence the men on the shop floor, on whose attitudes depended the acceptance of a mentally handicapped worker.

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The final section of the Great Britain's mainmast was put in place at Bristol yesterday. The mast, a replica of the ship's 1843 mainmast, was given and made by F. E. Beaumont Ltd.

New drive by BR over fare dodging

By Michael Bailey

Transport Correspondent. A new drive against fare dodging, which is estimated to cost British Rail about £100 million a year, is to be launched by the raising of the penalty from £100 to £200.

Local managers, ticket inspectors, and ticket collectors are to be told to tighten their eyes and to national poster campaign is being launched warning travellers of the dire consequences of travelling without paying a proper fare.

British Rail said yesterday: "We want to remind travellers that it is not a game, it is an offence. People who deliberately are thieves from the honest taxpayer, who foot the bill."

It estimates that revenue through fare is about 2 per cent of the passenger revenue, roughly the same as is earned by the big super-O of 40,000 to 50,000, challenged by inspectors year about half were found to have paid the fare. Some got off with a fine, 9,000 were prosecuted.

The worst area is London South-east, which gets about half British Rail's passenger revenue and makes over half the fare-dodgers.

British Rail, like Transport, is pressing with automatic ticket throughout the London area.

NHS unfair to women, report says

By a Staff Reporter

The lack of part-time career posts for doctors and nurses seriously discriminates against women, the Equal Opportunities Commission says in evidence to the Royal Commission on the National Health Service, published yesterday.

Women doctors with domestic responsibilities are generally forced to become clinical assistants, a non-career grade, and although part-time nurses number 121,000 no part-time career grades exist in nursing.

The absence of part-time training for doctors in specialties such as obstetrics and gynaecology prevents women from pursuing those careers. They therefore choose fields such as anaesthetics and geriatrics, which attract lower pay in private practice.

Women are also discriminated against as patients, the commission says. Because the vast majority of doctors are men women are not always treated in the most understanding way.

Treatment is sometimes recommended, for example, on the assumption that a woman has no important employment.

The European Economic Commission wants the commission to look carefully at preventive medicine, particularly the services providing contraception, abortion and menopause treatment.

It is concerned at the high level of illegitimate births to teenage girls and the regional variations in the National Health Service abortion provisions.

The centre was opened by Mr. McElhone, Under-Secretary of State for Education. He said too many lives had been lost during the exploitation of North Sea oil and the centre would reduce the dangers.

Counties will fight transfer of powers to big cities

By Christopher Warman

Local Government Correspondent

Any attempt to transfer county council functions to the larger district councils would be a costly waste, Mr. Gervais Walker, chairman of the Association of County Councils policy committee, said yesterday.

He was commenting after a special meeting in London of the nine county councils whose boundaries include cities with populations exceeding 200,000 and which the subject of speculation that the Government intends to give them back responsibility for the main local services such as education and social services.

The association and the county councils concerned are determined to fight any Bill to transfer functions from county to district level.

Mr. Walker, chairman of Avon County Council, said the association had recently told Mr. Shore, Secretary of State for the Environment, that the

public did not want such changes and that they would not lead to better services.

Mr. Walker said the new county councils were still settling down. Further changes would damage staff morale.

"It is high time that all this was stopped by the Government. Do they seriously contemplate the setting up of additional separate district education, social services and consumer departments, each with their own hierarchy of chief officers and supporting staffs and with inevitable overall administrative confusion resulting?"

The counties represented were Avon (Bristol 420,000), Derbyshire (Derby 215,000), Devon (Plymouth 257,000), Hampshire (Portsmouth 200,000, Southampton 215,000), Humberside (Hull 279,000), Leicestershire (Leicester 290,000), Nottinghamshire (Nottingham 287,000), South Glamorgan (Cardiff 281,000), and Staffordshire (Stoke-on-Trent 255,000).

"Like everyone else, we should like our taxes cut, but a civilized and compassionate society will also be selfless enough to pay the taxes that are necessary to provide for the care of the mentally ill, and of all others in need."

Mr. Callaghan also congratulated the professional staff who worked in hospitals with overcrowded wards and insufficient rehabilitation facilities for their patients. "Let us all remember these shortcomings when we hear so much, as we have this week, about the need to cut taxes."

Mr. Callaghan said he was aware that Mind did not think the Government had done all it could as an employer to give jobs to people with a history of mental illness.

He announced his intention of discussing that with Mr. Ennals, Secretary of State for Social Services, and the Civil Service Department.

There are certainly no bureaucratic rules of thumb and they are prepared to change their minds if they are presented with clear evidence that a change would be in the interests both of the government service and the individual concerned.

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Duke urges freedom for architects

By Our Planning Reporter

A plea for architects to be given greater freedom and to be subjected to fewer bureaucratic controls is made by the Duke of Edinburgh in today's issue of *Building*.

Most of the successes of the past 25 years, as well as the disasters, were the work of one architect on his own, or even better, in conjunction with one discerning client, he says.

"If these sole efforts do not succeed every time, it is well worth putting up with failures for the sake of the masterpieces which emerge from time to time. At any rate, almost anything is better than the mediocrity of committee design and the imperiousness of bureaucratic control."

"Architecture is an art and, just like any other art, an architect will flourish and improve only if his work is appreciated and admired, and if he has a spark of inspiration. The anonymity of work done through a committee is unlikely to provide either."

A new organization to promote the care and maintenance of present buildings was launched in London yesterday. Entitled the Building Conservation Association, it is backed by the Government, the building industry, conservation groups and professional bodies.

Its organizers intend to establish a permanent exhibition and information centre.

Drinks at library. Magistrates have granted a licence for drinks to be sold at Mansfield public library, Nottinghamshire, despite protests from local publicans.

The judge is hearing a claim by 96 individuals and groups of people whose safety deposit boxes at the bank were among those raided and who are making claims totalling £560,000 against Lloyds.

They allege that the bank was negligent both in having insufficient security and alarm systems, and in the way it later handled the distribution

Clash over plan to tax car parks

By Our Transport Correspondent

The Government's controversial proposal to license and tax private parking spaces in offices and factories has aroused a wave of protests throughout the country.

Businessmen say the measure might add £50m to commercial costs without any accompanying benefit, that it would work against the Government's declared policy of helping inner-city areas, and that it would encourage planning controls to be used to restrict the rights of individuals and business concerns.

In its response to the Department of Transport's consultation paper *Leads Chamber of Commerce* typically describes the measure as a "farrago of bureaucratic nonsense."

The department's paper proposes restrictions on the use of private parking spaces to those deemed essential by a new corps of local authority inspectors, as well as a charge for each space. It is seen as an additional way of controlling commercial traffic at a time when road space is limited.

The Department of Transport has not said how high the new charges on businesses would be, but the *Freight Transport Association* calculates yesterday that the cost for firms in central London alone might be at least £12m a year. The effect of the measure will simply be to impose an extra tax to pay for increased administrative costs and bureaucracy.

The proposal cannot be reconciled with the Government's overall objective, which is to facilitate the growth of employment in inner areas and priority to industry and commerce, the FTA says. The ground rules actively when commercial concerns had been based on planning requirements, unreasonable and unrealistic.

The Association of Chambers of Commerce last night said that it had scores of protests from garages and chambers across the country. The association's protest is a direct reference, as firms have up to the implications of the measure. Mr. Glyn Meakin, the association's director of economics and transport, said yesterday: "Government's present proposals are based on the basic principle of individual and freedom, and efficient development."

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EEC 'backs production in farms before efficiency'

By Our Agricultural Correspondent

Costs of support to farmers and of eliminating monetary distortions in the food trade absorb almost two thirds of the proposed EEC budget for 1978, the Commons Select Committee on European Legislation said.

After considering the preliminary draft budget issued by the European Commission it said that the EEC was spending much more on encouraging farmers to produce than on raising the efficiency of agriculture and balancing production and consumption.

The guarantee provision for 1978 was more than 10 times as great as that for guidance and almost half the Community's budget.

The committee said that the United Kingdom's gross contribution to the budget might be expected to be £1,052m, although the draft included some measures that would entail payments to Britain as well as by it.

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CONSERVATIVE CONFERENCE BLACKPOOL

Mr Whitelaw promises new opportunity for Commons to vote on capital punishment

If the Conservatives win the next election MPs will be given another opportunity to vote on the reintroduction of capital punishment. That was made clear by Mr William Whitelaw, deputy leader of the party and spokesman on Home Office affairs.

Replying to a passionate and lively debate on law and order Mr Whitelaw declared that the Conservatives alone were showing concern for freedom under the law and for the victims of violence.

Those who committed serious crimes of violence, he said, should be kept in prison for a long time. Protection of the public was the overriding consideration.

There was a crisis in the police service, and pay was totally inadequate. They were a long time to be replaced and should have rises well above 10 per cent.

The next Conservative government was prepared to set up a commission to examine the police service and give a proper place in the national wage structure.

Mr Douglas French (Sheffield, Attercliffe) said the term of the present government would be remembered by the underworld as a golden age.

He moved a resolution expressing alarm at the unacceptable levels of crime of violence, vandalism and dishonesty, as well as threats to freedom arising from industrial disputes.

He called on the Conservative government to take effective steps to ensure that law and order was restored and the essential fabric of a democratic society preserved.

Criminals were in the one business that was paying. Burglaries, for instance, were being cleaned out every house in Sheffield and Leeds together. Before the year was out it would be available to add Brighton and Blackpool as well.

In London pickpockets and shoplifters were getting away with goods worth millions of pounds. Some, no doubt, were carried away in some of the 353 vehicles stolen every day.

Need for swift action

"For every person in this hall who might have been a victim of personal violence 25 years ago 10 people will be today. All told, before this year is out, 2,500,000 crimes will have been committed. Of those more than half will never be solved. Criminals now know crime pays."

Political demonstrations and street marches were legitimate democratic rights, but they were being exercised in a way that struck at the heart of the law and order that permitted them. Look at Lewisham and Ladywood. It was scarcely preserving the freedom of the individual to force him to make way for private armies wielding axes, knives and bombs.

The fact that violence was avoided in Manchester last Saturday stood entirely to the credit of the police force, but they should not be put in an impossible position, nor should the taxpayer have to foot the bill.

The Public Order Act must be swiftly amended, Mr French said, giving greater powers to the Home Secretary, so that mass demonstrations did not go ahead when violence and bloodshed were predictable.

More use should be made of custody orders and detention centres, short sharp sentences in firm, disciplined prisons. Terrorists, hooligans and hickies stood in a class of their own. There was only one punishment that fitted their crime.

Mr Neil Thomas (prospective candidate for Redbridge, Essex) moved an amendment, which was accepted, urging the next Conservative government to take steps to

Reports from Alan Wood, Robert Morgan, Bernard Withers, Howard Underwood and Stephen Goodwin, of our Parliamentary Staff.

to that families could walk around without having offensive posters and handbills thrust in their faces.

"We are not going to stand for what goes on in London. For what is more or less an incitement to crime. Paraphernalia and all it stands for means that you allow it to be needed you are encouraging all the aspects of crime you can possibly think of: blackmail, extortion, prostitution, anything."

We are going to pursue this battle to the end, and we are expecting the support of any government, particularly a Conservative government, on whom I am relying to bring up the standards of public life in general."

In London the Conservatives were in control and they were going to see that control effectively exercised.

Mr Whitelaw, deputy leader of the party, but spokesman on home affairs, replying to the debate, said there were many dangerous doctrines which became a part of left-wing mythology. One of the most reliable was their assertion that there was something despicable, almost immoral, in discussing the prevention of crime at all.

It must be the primary duty of government to protect their country's citizens so that they can go about their lawful business free of fear.

They lived in an age of increasing crime, terrorism and violence. Not only in this country but over the world. People had the right when worried, as they were, to look to their government for reassurance. The British people must not look to the government in vain.

We in the Conservative Party always on demonstrating our concern and care for freedom under the law and for the many victims of crimes of violence in our society.

The Conservatives had a comprehensive strategy for the battle they must fight against crime and violence. They had to face the fact that on present trends crime would double in the next 10 years.

Unless a concerted campaign was launched in place of the Labour government's piecemeal and less effective drift, crime and violence would go from bad to worse, dangerously growing on itself.

They must seek to prevent young people from taking to crime and drastically restrict the recruitment of criminals. That required action at home and abroad. It was rightly said that the safety of any society was based on the family and the home. Many of today's troubles sprang from a lowering of family standards that were once the pride of the nation.

While there must be failures in the police and the courts, it was not their share of the blame. "I start with the simple proposition, lawless schools produce lawless children."

In the main, magistrates did a remarkable job, but they had the right to be dissatisfied with the way the police and the courts did too many cases they were failing to deter offenders, in particular young offenders, from further crime.

"I recognize, and who would not, the strength of feeling in this conference and in the country about the law and order problem. There could be no doubt that the country wished Parliament once again to debate and decide."

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"We are not going to stand for what goes on in London. For what is more or less an incitement to crime. Paraphernalia and all it stands for means that you allow it to be needed you are encouraging all the aspects of crime you can possibly think of: blackmail, extortion, prostitution, anything."

We are going to pursue this battle to the end, and we are expecting the support of any government, particularly a Conservative government, on whom I am relying to bring up the standards of public life in general."

In London the Conservatives were in control and they were going to see that control effectively exercised.

Mr Whitelaw, deputy leader of the party, but spokesman on home affairs, replying to the debate, said there were many dangerous doctrines which became a part of left-wing mythology. One of the most reliable was their assertion that there was something despicable, almost immoral, in discussing the prevention of crime at all.

It must be the primary duty of government to protect their country's citizens so that they can go about their lawful business free of fear.

They lived in an age of increasing crime, terrorism and violence. Not only in this country but over the world. People had the right when worried, as they were, to look to their government for reassurance. The British people must not look to the government in vain.

We in the Conservative Party always on demonstrating our concern and care for freedom under the law and for the many victims of crimes of violence in our society.

The Conservatives had a comprehensive strategy for the battle they must fight against crime and violence. They had to face the fact that on present trends crime would double in the next 10 years.

Unless a concerted campaign was launched in place of the Labour government's piecemeal and less effective drift, crime and violence would go from bad to worse, dangerously growing on itself.

They must seek to prevent young people from taking to crime and drastically restrict the recruitment of criminals. That required action at home and abroad. It was rightly said that the safety of any society was based on the family and the home. Many of today's troubles sprang from a lowering of family standards that were once the pride of the nation.

While there must be failures in the police and the courts, it was not their share of the blame. "I start with the simple proposition, lawless schools produce lawless children."

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Mrs Thatcher with the birthday cake presented to her at the conference by West Midlands Area Young Conservatives

Constitutions 'being abused and misused'

Basically there was nothing wrong with the British constitutional system. Mr Francis Pym, spokesman on devolution, said, but it was being abused and misused by the Labour Government. Labour had been taken over by a foreign creed and doctrine. The left was out to destroy the country's institutions.

Mr Pym was replying to a debate on a resolution, which was carried, calling for constitutional reform to restore freedom and respect for Britain's institutions.

With Labour's commitment to abolish the House of Lords in mind, he declared that a second chamber was more than ever necessary as a bulwark against the abuse of power.

Mr Michael Carter (Wells) said at the opening of the debate, that misdirection and abuse of power had been a feature of the Labour Government since it came to power. He successfully moved a resolution calling on the party to undertake a programme of constitutional reform designed to restore freedom, respect for the country's institutions and rekindle pride in a United Kingdom.

He said the times were not favourable to freedom. Every increase in the power of government and every extension of government interference increased the possibility of abuse.

The Labour Government had pushed through Bill after Bill irrespective of parliamentary feeling or public good. When it could not get a majority on one of those Bills it resorted to fiddling a vote purely to satisfy narrow and divisive political ends.

The remedy or check to that dangerous malaise did not necessarily lie in a written constitution or Bill of Rights, but in the redemptive power of the electorate returning it to elected MPs.

They should ask for the removal of the right of trade unions or any other representative body to sponsor Bills.

Mr Edward de Cam, MP, chairman of the 1922 Committee and of the Commons Select Committee on Public Accounts, said the legislation assumed that the legis-

lature would control the executive. It was doing so less and less. Parliament today increasingly constituted an elected dictatorship because decisions were so often taken outside Parliament. Thus MPs were becoming more and more the servants of the government of the day.

The simplest way for Parliament to control the executive was to control the purse strings. They should agree to commit the Conservative Party to a simple, straightforward principle which the government must follow: "Parliament must rule."

Mr Pym said that regrettably Parliament was held in low esteem. There was a widespread gulf between the public and the House of Commons. Constitutional reform would not cure the disease they were suffering from, but it could mitigate the symptoms.

Basically there was nothing wrong with the system. What was wrong was that it was being abused and misused. Why was it not working? The root cause was political: one party had been taken over for a foreign creed and doctrine.

The left was out to destroy the country's institutions. It was using Parliament and the institutions as instruments for revolution. It had cheated in a vote and even refused to allow the Commons to vote on the Government's public spending programme. It had started government by decree.

Worst of all, the Government abandoned, whenever it suited it, all collective responsibility over European decisions.

Even if it decided that a written constitution was desirable, and that would be a big step, it could not possibly achieve it unless all political parties genuinely wanted it to work, which demonstrably was not the case.

It would be more useful for the Conservative Party to close its mind to the possibilities that might be opened up by electoral change. But no reform could be introduced if they did not overcome the political fact that the Labour Party had been hijacked by the left.

The Conservative Party was at work under the leadership of Lord Home of the Hirsel preparing recommendations to strengthen the Commons Select Committee on Public Accounts to strengthen the safeguards of liberty.

Pledge to increase defence spending

Not only would the Conservatives restore Britain's defences, they would aim at increasing defence spending by 3 per cent a year in real terms. Mr John Davies, spokesman on foreign affairs, said. Winding up a debate on defence, he said they would see that the fighting capability of the Armed Forces was restored and morale strengthened.

The most fundamental problem was the East-West confrontation and the need to build up the West's position where the West was not in a position of clear superiority in strategic capability.

The conference carried a resolution viewing with alarm the practical results of defence cuts and urging the next Conservative government to use its influence to bring about a reappraisal of Western policy towards defence both in economic and political matters.

Mr Nicholas Lyell (Hemel Hempstead), the mover, said defence was being exploited by the Russians. Nowhere was that more apparent than in the behaviour of the Foreign Secretary in Moscow.

Whatever the present intentions of the Labour Government, it was clear that the balance of military power continued to shift in her favour much faster than it should be in the position of the West.

Against that build-up the response of the British Government had been five defence cuts in the last 10 years. The result was that the balance of military power continued to shift in her favour much faster than it should be in the position of the West.

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that constituted an under-estimation of the danger of the Soviet threat. It was a hard attitude and he could not accept it.

One formula to meet the situation consisted in serious compromise was possible. The forces of Soviet communism, he said, were a real threat to the West.

He believed they must be met by a flexible policy of dialogue, negotiation and argument, with mind bent on finding the way for what President Carter called a comprehensive reciprocal progress to peace.

The West had passed by position of clear superiority, strategic terms to one of its balance. In conventional terms capacity of the Atlantic to defend itself was being questioned.

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Tories would not back Rhodesia settlement imposed from outside

A last solution to the problems of Rhodesia could be brought about only by agreement reached between Rhodesians of all races, Lord Carrington, leader of the Conservative peers, said when asked to support a settlement imposed from outside.

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'Cheat and a double-dealer'

Mr P. Williams (South Herts) said that when one considered the situation in some of the African countries running under the banner of the Organisation of African Unity, it was not surprising that some of the Rhodesians themselves could bring about a lasting solution to their problem, he said.

Lord Salisbury said the Government's proposals were an attempt to bring about a settlement in Rhodesia, but he was not sure that the only way to maintain order was by maintaining the present security forces.

There was mixed applause and booing when Mr Edward Heath (Conservative) spoke against the motion, saying that the people of Rhodesia, black and white, was to bring down Mr Ian Smith's government.

The motion was passed when Mr Heath said it was a Conservative or Labour conference, and the chairman, Mr David Selts, had to show considerable restraint to restore order.

Lord Carrington said a lasting peace in Rhodesia could be achieved only by agreement reached by Rhodesians of all races.

Noisy arguments over hard line on closed shop

By George Clark
Political Correspondent

Disagreements between Conservative delegates about the operation of the closed shop culminated in noisy arguments in the stalls of a Blackpool cinema last night.

When questions from the hall indicated that there was some opposition from Conservative trade unionists to the closed shop, Mr Norman Tebbit, the right-wing Conservative MP for Waltham Forest, Chingford, came to the rescue.

He said the Party had agreed, with only a small minority dissenting, that the closed shop was a necessary part of the operation of the closed shop.

Mr Robert Moss and Mr John Gower, joint directors of the association, put forward a powerful case for a future Conservative government giving an individual the right not to join a union.

WEST EUROPE

Front page references to 'monstrous Germans' reopens an old sore Anger east of the Rhine surprises 'Le Monde'

From Charles Bargrois
Paris, Oct 13

Many educated Frenchmen, faced with the question as to which was the most authoritative newspaper in this country, would be tempted to reply on the lines of André Gide's appreciation of Victor Hugo: "Le Monde, hélas."

They would go on to explain that, however much they disagreed with its opinions, it was compulsory reading. As a journal of record, it was unmatched and unchallenged.

A violent attack on its attitude to terrorism in West Germany, made by the monthly magazine of the European Commission's press and information office in Bonn, has revived controversy about the paper's left-wing sympathies.

The controversy has continued on and off for many years. Le Monde maintains it is as old as the newspaper itself. But it intensified after the student unrest in May, 1968.

At first, the paper expressed outright sympathy, until the return to Paris from the French press, should receive greater prominence and be singled out for sharper criticism.

What provoked particular anger, not only east of the Rhine, but also on this side of it, was a characteristically provocative article by M. Jean Genet, the extreme left-wing iconoclast, on the newspaper's front page justifying the action of the Baader-Meinhof terrorists, and condemning the "inhuman, terrifying and monstrous Germany of all times."

He was not alone. A special correspondent of the newspaper wrote that "only a society itself monstrous could engender monsters" like the Baader-Meinhof group.

But these absurdly negative opinions on Germany were balanced, in a fashion characteristic of Le Monde, by a distinctly sympathetic article by the best French expert on

Germany, Professor Alfred Grosser, who pointed out that anti-German feeling was a sub-product of anti-Americanism; and American "domination" a convenient alibi, for the right and for the left, for the failures and inadequacies of French society itself.

To suggest from this, however, as Herr Alfred Frisch, the correspondent in the Bonn magazine maintains, that Le Monde is running "a communist-supported campaign to accustom the French people once again to the spectre of ugly Germany" as part of a long-range plan to "force France on to a neutralist path" is gratuitous and unjustified.

In a statement published today, M. Fauvet points out that the arguments used by Herr Frisch are hardly new. They have been bandied against the newspaper for a quarter of a century and there were times in the early fifties, when they were more justified.

Such fables, as stupid as they are defamatory, are pitiful, and will make all those who know Le Monde smile, he says.

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Nobel Prize goes to three US doctors

Stockholm, Oct 13.—The 1977 Nobel Prize for Physiology and Medicine was today awarded half to Dr Roger Guillemin and Dr Andrew Schally of the United States and half to Dr Rosalyn Yalow, also of the United States.

The Karolinska Institute here said Dr Guillemin, aged 53, of the Salk Institute in San Diego, California, and Dr Schally, aged 50, of the Veterans Administration Hospital in New Orleans, received half of the award for their discoveries concerning the peptide hormone production of the brain.

Dr Yalow, aged 56, of the Veterans Administration Hospital in the Bronx, New York, won her half for development of radioimmunoassays of these hormones.

Peptides, built up from chains of amino acids, include many hormones produced in the body by the thyroid gland, the parathyroid glands, the placenta, the gastro-intestinal tract and other tissues.

Because these peptides are found in the blood in only small concentrations, it was difficult to study them. This caused stagnation in large sections of medicine and biological research, the Karolinska Institute said.

In the mid-1950s, Dr Yalow and her late co-worker Dr Solomon Berson found that people who received injections of the polypeptide hormone insulin, either for diabetes or schizophrenia, developed antibodies against the hormone, an event contrary to accepted doctrine.

They then found that insulin labelled with radioactive iodine mixed in a certain way with these insulin antibodies. This was the starting point for the development of radio-immunological tests for the amount of insulin present, tests that were later applied to all peptide hormones in the blood.

Dr Guillemin and Dr Schally, separately but almost simultaneously, ferreted out the identity of the small peptides made in the brain which control the pituitary gland, which in turn controls how people react to stress—Reuter.

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Police close slimming hotel where two died

From Ian Murray
Paris, Oct 13

French police moved in at dawn yesterday and closed a health farm hotel in the tiny town of Rigby-le-Nonneau, near Troyes, in the Aube.

The proprietor, M. Albert Mosseri, and the hotel doctor, Dr Charles Courrier, are both being questioned about the death this year of two of the guests.

The Bel Air Hotel brochure urges guests "to fast to live fast". They came from all round Europe, prepared to pay between 70 to 120 francs (£8 to £14) a day.

Police found in the kitchen one hot plate and bushels of cabbage, carrots, artichokes and half-frozen apples. There was no refrigerator and no water was the only drink available.

Apart from its menu, the other amenities of the hotel were ten small bedrooms, two toilets and one shower. When police moved in yesterday they found 16 guests, of whom two were so weak they had to be taken to hospital.

It is the second time the hotel has been closed. The first time was after inquiries into the death of one of the guests in May, 1972. On that occasion, M. Mosseri, fined £117, was ordered to pay £1,100 costs for failing to help

the 25-year-old student who died.

When the hotel was reopened in 1975, it was soon full again with guests looking for a cure. One was M. Jacques Vivier, a 25-year-old French writer working at an hotel in Worthing, Sussex. He stayed at the Bel Air Hotel for a month. Only 5ft 3in tall, he weighed eight and a half stone when he went there and five stone 10lb when he left on April 29. He died in St Thomas' Hospital, London, in May weighing only four and a half stone.

The third death occurred on September 30: Mr Arthur Golas, a 65-year-old Swiss national, who died in hospital at Troyes after staying at the hotel. He weighed under six stone and his 5ft 9in frame was like a skeleton.

Dr Courrier, who is 80 and served for 25 years in the French Foreign Legion, said after the police raid: "You tell me that the Swiss were skeletal. I know some who have been thinner than that who have survived Buchenwald" [the Nazi concentration camp].

M. Mosseri, who owns six flats in Troyes, said: "I can take no blame. People come here of their own free will. I accommodate them, feed them and look after them. I am only a hotelier."

Callaghan plea for Schmidt agreement on JET site

By Roger Berthoud

When Mr Callaghan visits Bonn next Tuesday, he will try to come to an understanding with Mr Schmidt, the West German Chancellor, about the siting of the Joint European Torus (JET), the Community's thermonuclear fusion project, over which the Nine have been deadlocked for months.

The British want the site, located near Oxford, the Germans want to secure it for Garching, in Bavaria. It is hoped, without great optimism, that the Prime Minister's discussion in Bonn may enable the EEC foreign ministers to agree a site at their meeting the day in Luxembourg. Otherwise, Mr Henri Simonet, the Belgian foreign minister and current president of the Council of

Ministers, is likely to propose a majority vote. This would not appeal to the British Government.

Whitehall also hopes that Mr Callaghan and Herr Schmidt will be able to sign a new agreement under which the Bonn Government will offset the foreign exchange cost of the British Torus of the Rhine by more than £100m. Negotiations for this are almost complete. Dr David Owen, the Foreign Secretary, Mr Denis Healey, Chancellor of the Exchequer, Mr Edmund Dell, the Trade Secretary, and Harold Lever, Chancellor of the Duchy of Lancaster, are also going to Bonn for talks with their opposite numbers as part of the regular bi-annual exchanges between the two governments.

Señor Suárez to visit London for talks

By Our Diplomatic Staff

Señor Suárez, the Spanish Prime Minister, is to visit London next Wednesday and Thursday as the guest of the British Government. It was announced yesterday. He will have talks with Mr Callaghan and with Dr Owen, the Foreign Secretary.

Spain's application to join the EEC will be the main topic, but Gibraltar will most probably also be discussed.

When Dr Owen visited Spain last month he emphasized that support for Spain's entry into the EEC would not be dependent on the removal of restrictions imposed on Gibraltar in 1969. But he added that it would be helpful if the problem could be resolved before Spain became a full member.

Fall in West European birth rate slows down

Paris, Oct 13.—The rapid decline in the birth rate slowed down in a number of West European countries last year, the Paris magazine Population reported today.

But it was too early to tell whether this was the first sign of a turning point after a slump in the birth rate over the past 12 years, said Population which is published by the French National Institute of Demographic Studies.

More people died than were born last year in West Germany (730,800 deaths and 601,400 births), Austria (94,600 and 86,900), Britain (680,600 and 676,300), Luxembourg (4,400 and 4,000) and East Germany (234,000 and 195,500). The institute's study showed

Genoa gun fight as bank robber escapes

Genoa, Oct 13.—Gunmen shot and wounded four people, three of them policemen, in a celebrated bank robbery escape here last night from police custody for the second time in 18 months.

Cesare Chiti, aged 24, who was serving a five-year sentence for armed robbery, was being transferred from one prison to another when a group of his friends ambushed the police convoy, police said.

Recaptured after jail break on horseback

Oberdorf, Switzerland, Oct 13.—An escaped prisoner who galloped to freedom on a horse he seized outside the prison on Sunday has been captured and the horse recovered unharmed, the police said today.—Reuter.

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PARLIAMENT October 13, 1977

MPs approve effort to breathe more life into regional fund

European Parliament

Luxembourg

The Commission put forward by the Commission to achieve a comprehensive approach to Community regional policy was approved.

The Commission has submitted plans to the Council of Ministers aimed at coordination of the various Community policies and of the regional policies of member countries, and has proposed a system of regional development programmes.

A motion from Committee on Regional Policy, Regional Planning and Transport, later approved, called for the setting up of groups of specialists to assess the regional impact of Community policies and coordination of national policies.

The Committee felt that could not be adequately performed by a working party of officials who would have to carry on with their normal work at the same time, and therefore suggested an increase in the number of officials at the directorate-general for regional policy to provide young management level staff working in a team over a period of three or four years at least.

The Committee also called for an increase in the number of officials managing the Regional Development Fund so that the development programmes, which would be compulsory from January 1, 1978, could be examined. It considered that if regional aid was to be effective, local or regional officials with a high level of competence would be essential and that in certain regions it might be necessary to give them further training, possibly by Community aid.

The motion called on the Commission to define, in collaboration with member countries, the role of the various local, regional and national bodies in working out

programmes for which Community aid was granted.

The Commission supported the Commission's proposal to set up a "non quota reserve" which will provide for specific Community projects based on Community criteria to be given aid, and welcomed the proposed simplification of procedures, the setting up of a system of loans and the greater flexibility of the fund's intervention rates.

The motion said that aid from the fund was not intended merely to support national aid but to strengthen it through the complementary nature of Community operations. It invited the Commission to continue with Parliament so that the latter could, with the help of the court of auditors, exercise political control over the effectiveness of regional fund operations.

Signor Luigi Neri (Italy, C-D) said that the proposals showed the Commission was trying to breathe a little more life into the regional fund. They had two main objectives: to improve conditions in those areas which were less advantaged and to carry out preventive action in certain regions where there was a danger of future crises.

Mr John Evans (Newtown, Lab) chairman of the committee, said regional policies were much more difficult to implement at times like the present when economic activity was at its lowest and unemployment was widespread.

All the evidence suggested that the gap between the rich and poorer regions was widening. A society based upon great disparities of wealth could not last for long without serious political unrest.

It was necessary for meaningful regional policies to be adopted by each of the member countries and the Commission, policies that would improve the economy, cleanse the environment, remove

dereliction and improve the quality of life of regions which had been for too long neglected.

It was not a question of taking wealth away from the advantaged to give to the disadvantaged but of a more equitable distribution of wealth based on policies which would allow the disadvantaged to return to economic prosperity.

Mr Antonio Gualtieri (Ireland, DEP) said the regional fund had not been a success as the gap between poor and richer regions had widened over the past two and-a-half years. At this late stage, if the Community was to salvage its credibility Parliament must insist on the concentration of aid to the worst-off areas in the Community.

Signor Antonio Gualtieri, Commissioner for Regional Policy, said there was a problem of severe regional imbalances arising in future in the Community and this could pose a danger to its inner cohesion. They had to take into account the likely enlargement of the Community.

They would not succeed in achieving growth without inflation and unemployment unless they were able to take effective action to deal with the structural weak spots in the Community. They had to strengthen Community policies to deal with the weak spots.

Social policy and regional policy had always been regarded as secondary, agriculture had always used most of the budget.

We must attempt (he said) to redress the balance between community policies, and regional policy must be the first test of our resolve to do this.

However, he feared that the prospects of moving along these lines seemed dim. So far the council of ministers had indicated they were opposed to the way the commission wished to move.

Scots fears about Danish bacon campaign

There had been a substantial improvement in the Community's pigmeat market during the past few weeks, Viscount Etime Davignon, Commissioner for the internal market, said during question time.

He had been asked by Mrs Winifred Ewing (Moray and Nairn, Scot Nat) whether, in view of the widespread anxiety in the Scottish pig producing industry Mr Finn Gundelach, the Commissioner for Agriculture, would visit Scotland to obtain first hand information about the problems of the industry as a basis for making new proposals for solving them.

Viscount Davignon said that Commissioner Gundelach was not in a position to go to Scotland at present. The good news was that in the pigmeat sector there had been a substantial improvement.

At the beginning of March the price was 552 per 100 kilos, while in September it was 571.45 per 100 kilos.

Mrs Ewing said she welcomed the improvement but it had not got through to the small pigmeat farmer. The Commission should look at the advertising campaign on television in the United Kingdom for Danish bacon and say

the fears of the small pigmeat producer going out of business, that this campaign was partly being financed by the Danish Government, contrary to the Treaty of Rome.

Viscount Davignon said he agreed they must try to ensure the improvement went right down the line.

We have no reason to believe (he said) that the publicity referred to by Mrs Ewing has anything to do with the Danish Government. If there was any evidence to the effect we would act in accordance with the Treaty.

OVERSEAS

S African poll shows most whites will accept race reforms

From Nicholas Ashford

Johannesburg, Oct 13

Do South Africa's political leaders lack behind the thinking of their white voters on race issues?

This is a charge which is often levelled at the ruling National Party by white opposition leaders when urging the Government to move more quickly in introducing reforms for the country's black, Coloured and Asian inhabitants. However, the Government, despite its big majority in recent Parliaments, has always exercised extreme caution when dealing with race issues.

A survey just published in the leading Afrikaans newspaper *Rapport* suggests that the Government could move ahead much faster in introducing race reforms and still retain the support of the majority of its voters.

The survey found that 77 per cent of the white voters who were polled felt that "changes and adaptations" in race relations had become an "urgent necessity". Furthermore, a significant number of National Party supporters felt the Government was moving too slowly in introducing changes.

The poll's findings are highly significant in view of the debate which has been taking place within the National Party between the "verligtes", who favour reform on race matters, and the "verwagters", who wish to stick rigidly to the original apartheid blueprint.

Some political observers believe that if Mr Vorster, the Prime Minister, obtains his expected overwhelming mandate in next month's general election he may then embark on the country on a more verligte tack. Clearly, the findings of the *Rapport* poll ought to encourage him to do so.

This is not, in fact, the first time that surveys have shown that white voters are ahead of their leaders. Last year a poll in the same newspaper found that many nationalists favoured a wide range of specific reforms, such as scrapping the Immorality and Mixed Marriages Acts.

At the same time, a big research project undertaken by a German organisation, the Arnold-Bergstrasse Institute in Freiburg, has come up with similar findings. The institute, headed by Dr Theo Hanz, has done extensive investigations into the attitudes of the white electorate over the past five years.

The institute's report, the biggest such project ever undertaken in South Africa, is expected to be published next year. Preliminary findings released a few months after the disturbances broke out in Soweto and other black townships last year showed that there was increased readiness among whites to make economic and political concessions to blacks and that the National Party could count on almost unanimous support from its followers for any reform measures.

The latest survey in *Rapport* found that 75.3 per cent of National Party supporters who were polled agreed that changes in race relations had become an "urgent necessity". Significantly, 32.7 per cent of the total sample felt that such changes would have a far reaching effect on their present way of life and a further 55.1 per cent felt they would have some effect.

The survey also found that most South African whites, whether English or Afrikaans-speaking, felt South Africa should not get directly involved in a full-scale war broke out in Rhodesia between the Rhodesian Government forces and the Patriotic Front supported by Cuba and other countries. However, they felt Rhodesia should be supported with economic and military aid.

Mbabwe, Oct 13.—Police in Swaziland opened fire on stone-throwing school pupils in Mbabane and Mafikeng tonight, wounding three people, police headquarters said.

Barbaric thousands of marching pupils had demonstrated in the streets in support of their teachers, who are on strike in protest against King Sobhuza's banning of the Swazi Teachers' Union.—AP.

Peace conditions revive old suspicions in Beirut

Lebanon fears Israeli move to seize Jordan tributaries

From Robert Fisk

Beirut, Oct 13

A short and largely unpublished section of the basic conditions laid down this week by Mr Dayan, the Israeli Foreign Minister, for acceptance of a Middle East peace agreement, has reawakened some unpleasant fears within the Lebanese Government.

Ministers here believe that Israel, the biggest such project ever undertaken in South Africa, is expected to be published next year. Preliminary findings released a few months after the disturbances broke out in Soweto and other black townships last year showed that there was increased readiness among whites to make economic and political concessions to blacks and that the National Party could count on almost unanimous support from its followers for any reform measures.

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Mr Dayan's statement this week that worried the Lebanese authorities. "The main water sources of Israel, such as the Jordan river sources in the north, should be secured", he said. The phrase, "in the north", must refer to the waters of southern Lebanon as well as to the Syrian Golan, which is already under Israeli control.

The Western and Hashani rivers, as well as the Litani, flow through southern Lebanon and across the terrain in which Palestinian and Jewish forces have been fighting. Israeli-backed Christian Lebanese for the past 11 months.

A tentative ceasefire exists in the area at the moment, but no troops of the Arab League peacekeeping force in Lebanon have entered the region since Israel warned that it would not countenance Syrian advances near its borders.

The Israelis will not tolerate Syrian troops south of a "red line" 10 miles from their northern frontier, an Lebanese boundary which the Lebanese Government claims is the Litani river. Both the Wazzani—a water-

course that runs past Christian-held town of Jajoun—and the Litani, which flows past Ottoman Roman ruins in the town of Mount Haroun, lie east of the Litani and the east of Syrian control.

The Lebanese Government suspects that Israel fears the country's southern border should take the Geneva peace conference.

President Sarkis almost certainly will send a delegation to the stages of the talks at formal peace treaty with But he is unlikely to the idea of an alteration southern border or in any joint exploitation of water resources.

His must also be seen the Israeli have been take a close look at the. Before the civil war of their armed against Palestinian guerrillas, Israeli soldiers moved, eight miles to the north, up to the of the Litani.

Mr Dayan discloses secret proposals

From Moshe Brilliant

Tel Aviv, Oct 13

In a dramatic move to silence critics of the working paper he hammered out in New York last week with President Carter and Mr Vance, the Secretary of State, Mr Dayan, the Israeli Foreign Minister, read the full text of the document in the Knesset (Parliament) in Jerusalem this afternoon.

He had agreed with the Americans not to publish the working paper, on procedures for the resumption of the Geneva peace talks, until the Arabs had considered it. He is reported to have broken the understanding because he claimed leaks from Washington and the Knesset Foreign Affairs Committee distorted the picture.

Mr Dayan quoted from the document to support his contention that there would be no negotiations at Geneva with the United Arab Emirates, which is to include Palestinian Arabs.

The working paper says: "After the opening sessions the conference will split into working groups" and that separate peace treaties are to be negotiated and concluded in bilateral working groups with each neighbouring Arab country.

Opposition critics had claimed that the plan would have been able to veto any agreement, and that extremist Arab views would accordingly prevail.

Mr Dayan agreed to the participation of Palestinian Arabs in the working group to discuss West Bank and Gaza strip issues. "Can we in 1977 or 1978 talk of a peace settlement in Judea and Samaria."

without conferring with the Arabs who live there? I do not think so. I want to talk to them."

He said, however, there was full agreement with the Americans that Israel was not expected to meet Palestine Liberation Organization (PLO) representatives.

He made it clear that West Bank mayors with PLO sympathies would qualify for invitations, but if one of them should proclaim that he represented the PLO, he would not be invited to participate.

Mr Dayan interpreted the clause stating that the initial terms of reference of the Geneva conference remained in force as precluding any Israeli withdrawal to the pre-1967 war boundaries, the establishment of a Palestinian state or negotiations with the PLO.

The House supported the Government's position by voting 41 to 29 against referring the issue to the Foreign Affairs Committee.

Our Cairo Correspondent writes: President Sadat today began consultations with senior officials on the prospects of reconvening the Geneva peace conference.

Mr Ismail Fahmy, the Egyptian Foreign Minister, told reporters that there was a "good deal of hope" that the Geneva meeting would be resumed before the end of the year.

He said the Arab position remained that Israel should withdraw from all occupied Arab territories and that a Palestinian state should be established.

Attempt to heal rift over canal treaty

From Our Own Correspondent

Washington, Oct 13

President Carter will General Omar Torrijos, Panamanian head of the Washington tomorrow attempt to resolve differences of opinion which jeopardising congressional ratification of the new P Canal treaties.

At a press conference today, Mr Carter conceded he and the Panamanians were faced with the very real political problem of the same product in a different market.

Opponents of the treaty in the American Senate will be anxious to see the Panama Canal treaties, which have been passed by a two-thirds majority in the House, will force the treaty to be ratified.

Mr Carter said he was obtaining an agreement from General Torrijos on common interpretation of the treaties, so that the American and Panamanian people were misled by reports.

The President said he would not be permitted to return to the United States of Panama.

The present working treaty would probably not be modified, Mr Carter said. But what might be done is a joint statement of the intention to ensure that the American and Panamanian peoples understand the treaty "very clearly".

The new Panama arrangements, which replaced the 1903 treaty, are years of international negotiations would transfer the canal from the States to Panama by the century.

Dr Barnard puts heart of chimpanzee into a man

Cape Town, Oct 13.—The

heart of a chimpanzee was transplanted into a patient by Dr Christiaan Barnard at Groote Schuur Hospital here tonight, a spokesman said.

It is the first time he has used a chimpanzee's heart in a transplant operation.

Last June Dr Barnard, the transplant pioneer, gave a woman patient a baboon's heart. The patient died soon after the 10-hour operation.

The hospital spokesman said the chimpanzee's heart used in tonight's operation was intended to supplement the patient's own ailing heart.

The patient, believed to be a South African man aged about 60, was not identified.

The spokesman added: "The patient is doing fine at the moment, but it's very early days yet."—Ranger and AP.

After the 10-hour operation.

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The spokesman added: "The patient is doing fine at the moment, but it's very early days yet."—Ranger and AP.

America likely to sell Yugoslav arms

From Our Special

Correspondent

Belgrade, Oct 13

Mr Harold Brown, the American Defence Secretary, had very successful discussions with Yugoslav leaders today, according to American officials.

He saw General Ljubicki, the Yugoslav Defence Minister, and the Vice-President, Mr Stjepan Doronjic.

The talks are a part of the extension of American-Yugoslav relations in general which include a modest expansion in military relations. These military relations are expected to include some sales of arms as well as some cooperation in training and visits by senior Yugoslav officials to the United States.

American officials here today expressed strong support for Yugoslav independence and territorial integrity.

America seeks agreement on family reunifications

From Richard Davy

and Desha Trevisan

Belgrade, Oct 13

The United States regards the humanitarian provisions of the Helsinki agreement as a key issue. Mr Arthur Goldberg, chairman of the United States delegation, told the conference here which is reviewing the 35-nation accord signed in 1975.

Family reunification, visits and marriages between nationals of different states were especially significant, he said.

Mr Goldberg, replying to criticisms of American visa policies, said that while they were not perfect, they compared favourably with those of other countries. He complained about harassment of applicants for exit visas and the "punitive" and discriminatory measures taken against them in eastern countries.

"I simply cannot stand," he said, "why a husband should be separated because of capricious government policies."

"Is it humane," he asked, "to harass and imprison for peaceful political or religious beliefs? These are the types of problems that must be solved by the United States. And these are the problems we intend to solve in specific detail in the working bodies."

It is our obligation at conference to agree on steps to liberalise visa policies and family reunification policies," he said.

Mr Goldberg also regretted that there was resistance in some states to ensuring a flow of ideas and information guaranteed by the Helsinki agreement.

Royal Navy wins contract

By Henry Stanhope

Defence Correspondent

The Royal Navy's hydrographic service has won a contract worth several million pounds to carry out a detailed survey of Iranian waters. The contract has been won against strong competition.

It will enable the Iranians to produce up to 26 large-scale navigational charts, which will be of benefit to international shipping.

It has also been suggested that the Shah of Iran needs the accurate mapping of waters in the Gulf in order to operate nuclear-powered submarines. The memorandum of understanding which has been signed with the Iranian Government also provides for British assistance in establishing a national hydrographic service in Iran.

HMS Hecate, the first of three ships involved in the work, will leave Devonport next week for Bandar Abbas, the base port for the three-year operation.

HMS Hydra, another ocean survey vessel, will sail for Iran in the near future. HMS Beagle, a coastal survey ship, will join them early next year.

Each ship will carry an Iranian liaison officer and a number of British surveyors.

After the first phase of the operation has been completed in June all the ships will return to Britain for leave and maintenance. Two ocean survey and two coastal survey vessels will be used for the second phase.

Airline cleared of blame for Manhattan crash

Washington, Oct 13

Federal safety officials cleared New York Airways blame in a helicopter crash top of the Pan Am building last spring which killed people and set off bitter protests against flights into mid-Manhattan.

A National Transportation Safety Board report said crash resulted solely from human error and faulty navigation procedures.

Mr. Goldberg also regretted that there was resistance in some states to ensuring a flow of ideas and information guaranteed by the Helsinki agreement.

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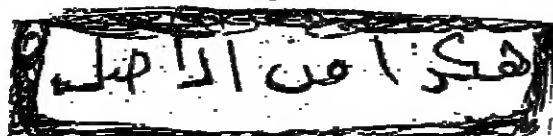
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OVERSEAS

Manner of Mrs Gandhi's police arrest is criticized by leader of ruling Janata Party

From Richard Wigg
Delhi, Oct 13

Mr Chandra Shekhar, president of India's ruling Janata Party, said today that Mrs Gandhi, the former Prime Minister, should not have been arrested when she was by the police.

In remarks critical of the handling of her case by Mr Charan Singh, the Home Minister, Mr Shekhar said that instead of the Central Bureau of Investigation detaining her on the basis of a first information report, Mrs Gandhi ought to have received a summons to appear in court.

"If she did not respond she should then have been arrested on an order by the courts," Mr Shekhar, who was detained by Mrs Gandhi during the emergency, said what would have happened in the aftermath of Mrs Gandhi's arrest was a growing feeling in the Janata Party that the Government had been weak by showing leniency to her.

Referring to demands now

that the Government should be drastic, the Janata Party president observed: "This is human psychology in any party, but once such a trend is started there is no end; it is easy to start but difficult to stop."

If the Government had wanted merely to be "strict" it could have used the Maintenance of Internal Security Act, a famous part of Mrs Gandhi's emergency legislation against her.

Mr Shekhar maintained that the Janata Party should not become alarmed by the "contemporary hubbub" created by Mrs Gandhi's closest supporters. To be a political force again, however, Mrs Gandhi had to carry the Congress with her and this he doubted she could do. "The future of the Janata Party and Government will be decided by their performance, not by Mrs Gandhi's acrobatics."

Mr Desai, the Prime Minister, has meanwhile warned the Congress Party that any vio-

lent agitation by its followers will be tackled by the Government with severity.

Making his first comment on Mrs Gandhi's release by a Delhi magistrate last week, while on a tour in Gujarat, Mr Desai said that all those who had committed crimes against India's society would be dealt with in accordance with the law of the land.

Mrs Gandhi had been released on an interpretation by the magistrate and it was now for the Delhi High Court to decide whether the interpretation was correct.

Mr Desai thus corrected observations he had made in an interview earlier with yesterday's Gujarat newspapers in which he described the magistrate's order as "illegal". Recalling that he had himself been a magistrate for 11 years, Mr Desai said there had never been a case of unconditional release like the one ordered by the Delhi magistrate in favour of Mrs Gandhi.

Brazil crisis over ousted general

Brasilia, Oct 13.—A crisis flared within the Brazilian military Government yesterday when General Sylvio Frota accused the regime of betraying the goals of the 1964 revolution.

General Frota, whose dismissal from the post of Army Minister was announced yesterday by President Geisel, accused the Government of helping subversive plots of the left.

Among the international moves attacked by the former minister were the establishment of diplomatic relations with China, Brazil's return to the Organization of American States and "the hasty recognition of the communist Government of Angola".

In the domestic sphere, he accused the regime of "criminal indifference in the face of communist infiltration and leftist propaganda, which is growing daily."

General Fernando Belfort Bethlem has been appointed Army Minister in place of General Frota.

Peter Stafford writes: The dismissal of General Frota is seen as a move by President Geisel to ensure the continuation of his own relatively liberal approach to the political development of Brazil. General Frota is one of the leading hardliners, and is their main candidate for the succession to President Geisel.

His main rival is General Joao Baptista de Figueiredo, the head of army intelligence, who is regarded as more liberal.

Strike may delay island's independence date

By Peter Stafford

The island of Dominica, in the eastern Caribbean, has been in the grip of a strike by civil servants since the beginning of September, and there is a fear that its independence, expected for early next year, may be delayed.

Those on strike include not only government office workers but also teachers and nurses. They have been supported by poor workers, who have refused to allow any imports into the country, though they are allowing exports to go out.

The postal service has come to a halt, most of the schools have been closed, and the hospitals have been badly short of staff. The airport is closed to scheduled flights, and the only aircraft coming in have been charter flights from the neighbouring islands of Martinique and Guadeloupe.

Allende daughter 'killed herself out of grief'

Havana, Oct 13.—The daughter of President Salvador Allende of Chile shot herself dead here out of grief over the 1973 military coup in which her father died, the Cuban Government announced.

It said Señora Beatriz Allende, aged 32, died at her Havana home yesterday. It added that psychological wounds suffered in the 1973 coup and "the tragedy of her people from that date were the causes which led to her suicide."

Señora Allende, who was divorced, kept the Allende family name. She leaves two children, a boy and a girl. She was for long a close political collaborator of her Marxist father. She fought beside him in the President's palace when troops stormed it in the Chilean coup.

She said later that she begged to stay at his side, but he ordered her to leave as she was pregnant. Soon afterwards he was shot dead.



Underground war: Captain Nguyen Thanh Linh, who commanded a Vietcong battalion during the Vietnam war, at one of the thousands of trapdoors opening on to a 150-mile maze of tunnels dug by the Vietcong in the Chu Chi area near Saigon. The diagram shows a typical cross-section. Captain Linh, who survived 10 years of warfare in Chu Chi, said the area had been defoliated, napalmed and bombed daily by the Americans from 1966. But despite losing 12,000 dead, he told Western correspondents, the Vietcong expanded the complex until it could conceal entire North Vietnamese divisions.

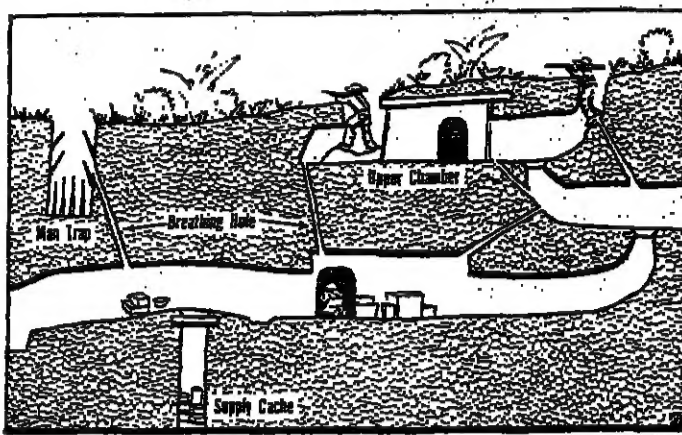
Australian power strike truce

Melbourne, Oct 13.—A mass meeting of electric power workers agreed today on a provisional return to work to end a nine-week strike which crippled industry and put 500,000 people out of work in the state of Victoria.

But the dispute over demands for a rise of \$4.40 (22%) a week in return for work to end a nine-week strike which crippled industry and put 500,000 people out of work in the state of Victoria.

The strikers agreed to return to the generating plants only until Monday when they will meet again to vote on whether to accept or reject a decision on their pay claim now being considered by an emergency session of the National Wages Authority.

The strike reduced power supplies to homes and offices to a trickle throughout Victoria, forced the closure of factories and was estimated to have cost industry more than \$432m.—Reuters.



350 die as fighting flares in Addis Ababa

Nairobi, Oct 13.—Diplomatic sources in Addis Ababa today reported fresh political violence in the Ethiopian capital, with as many as 350 people killed recently.

Shooting was heard in Addis Ababa on Sunday and Monday, when Lieutenant Colonel Mengistu Haile-Mariam, the head of state, flew to Harar to inspect its defences.

The killings over the past two weeks followed anti-Government demonstrations by left-wing students and supporters of the Marxist underground party, Meison. They were protesting against the execution of Meison members in prison and more deaths during a riot at the jail, the sources reported.

About 1,000 students were killed in a previous eruption of violence in the capital in May, when the military government last May.

The sources in the Ethiopian capital reported that Somali reinforcements were moving up for a final drive against Harar and the nearby railway town of Dire Dawa, 250 miles east of Addis Ababa.

Somali guerrillas were reported as close as five miles from the crenellated walls of the 1,000-year-old city.

Sources in the republic of Djibouti said yesterday that the newly-raised Ethiopian people's militia had suffered hundreds of casualties as the Somalis fought for high ground overlooking the defences of Harar.

They said the Third Division, which has been relentlessly driven back from its bases in the Ogaden desert below the mountains during the three-

month Somali campaign, was being kept in the rear to familiarise itself with recently arrived Soviet rocket artillery, tanks and field guns.

Colonel Mengistu was also considered to be trying to boost the morale of the division, which mutinied during its last battle at the big tank and radar base of Bole, at the foot of the eastern mountains.

Recent visitors to Addis Ababa said Soviet lorries carrying military supplies and tank transporters were seen in large numbers driving in from the port of Assab and out again to the eastern front line.

The military depots are full and the task of keeping up with the heavy flow of Soviet shipments has stretched the military bureaucracy to its limit.

About 100 Russian military experts are said to be in the city supervising the assembly of MIG fighters at the airport and delivering and training personnel on new equipment.

Some sources say there are between 20 and 30 Cuban training teams at a huge military camp outside the capital, and others report that many more Cuban advisers have gone to the front line cities.

The presence of Cubans in Dire Dawa has also been reported by sources in Djibouti, who said 30 Cubans were injured when their vehicle hit a land mine near Dire Dawa.

The Ethiopian Government vigorously denies there are any Cubans in the country other than medical aid personnel.

Diplomatic sources say well over 1,000 refugees have crossed into Djibouti.—Reuters.

Four Czech dissidents to be tried next week

By Jan Kavan
of the Palach Press, a London-based Czech news agency

The trial of four Czechoslovak human rights activists, opens in Prague on Monday. They are Mr Ota Onisek, a former theatre director, Mr Jiri Lederer, a journalist, Mr Václav Havel, a playwright and Mr Frantisek Pavlíček, a former member of the central committee of the Czechoslovak Communist Party.

According to the London-based Palach Press agency the first two are said to have been in contact between 1973 and last January with Mr Jiri Pelikan, a former head of Czechoslovak Television, who is now in Rome, and Mr Pavel Tigrid, a Czech émigré living in Paris. They are alleged to have passed information and articles to the West, slandering the Czechoslovak Communist Party, its leaders and Czechoslovakia's relations with the Soviet Union.

Mr Onisek, who is charged with subversion, is said to have made a confession and co-operated in a television film about the incidents in which he and others were allegedly involved.

Mr Lederer has been imprisoned three times since 1970 and is reported to be in bad health. Mr Havel is charged with "preparing to damage state interests abroad", and Mr Pavlíček with "preparing subversive activities abroad".

They have been charged with "preparing to damage state interests abroad", and Mr Pavlíček with "preparing subversive activities abroad".

Information issued clandestinely by Charter 77 signatories have announced that a march is to be held in support of Mr Lederer from Hradecany Castle in Prague to Ruzyně prison on Wednesday, which is expected to be the last day of the trial. The organisers have been warned that the march will provoke "the anger of the working class".

Police have received details of a riot on August 13, known in Czechoslovakia as "bloody Saturday", in which at least 1,200 demonstrators were fighting the police and troops. On that day a music festival in the southern Bohemian town of Domazlice was banned.

Approximately 100 people were injured, including 26 seriously. Seven policemen and soldiers were among the injured. Two of them died in hospital.

When the organisers suddenly cancelled this concert as well and refused to refund entrance fees a riot broke out. It lasted with police and soldiers with troops called as reinforcements. 126 people were injured, including 26 seriously. Seven policemen and soldiers were among the injured. Two of them died in hospital.

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Chrysler motor chief escapes Argentine bomb

From Our Correspondent
Buenos Aires, Oct 13

Two people were reported killed and two injured when a powerful bomb exploded today outside the home of an executive of the Chrysler motor company in Buenos Aires.

Senior Osmundo Beach, Chrysler's industrial relations chief, escaped because he left early for work. A bodyguard, which a woman passer-by was killed.

Miscarriage 'caused by hijack ordeal'

Santa Monica, California, Oct 13.—Mrs Caroline Wells Kennedy, a former California legislator, has had a miscarriage as a result of being held hostage on board a hijacked Japan Air Lines jet two weeks ago, her husband said today.

Mr Walter Karabian said there was "no doubt in my mind" that the ordeal on board the aircraft at the hands of Japanese Red Army terrorists caused his pregnant wife to lose their baby.

Mrs Karabian, who is 35, was released yesterday from St John's Hospital here after treatment for a miscarriage. She and four other Americans were released by the hijackers on September 29.

Rebels kill another senior officer in the Philippines

killings during a prearranged truce meeting.

The death of another senior officer will make it increasingly difficult for the Government to maintain that it is taking only police action against those who breached the ceasefire concluded 10 months ago, observers said.

Military reports from Basilan island mentioned increasingly heavy fighting there over the past few days.

Military sources said that government forces had lost at least 35 men while searching in the Tuburan area for a rebel band accused of planting a landmine on September 17, which killed 25 civilians.—Reuters.

Cobbler's son with island at his feet

From Our Special
Correspondent
Nicosia, Oct 13

When you ask Mr Alecos Michaelides whether he considers himself an ambitious man, he pauses, then replies that he is ambitious only to be a good President of the Cyprus House of Representatives.

Press the point and inquire what he would do if Mr Kyprianos, the President of Cyprus, was unable to contest February's election, and Mr Michaelides looks a little less comfortable.

"It is a hypothetical question because he is standing", he says. "It is very difficult to answer that."

Mr Michaelides is one of the island's more intriguing politicians, and at 44, among its youngest. His father was a cobbler who made shoes for Archbishop Makarios when the future ethnarch was a novice at Kykkos monastery. During the Eoka fighting, Mr Michaelides was studying in Britain and for several years after his return worked as a schoolmaster.

He went into business and now, as prominent industrialist, is able to combine an inbred belief in tradition and orthodoxy with the apparently modern, democratic approach to politics which many Europeans find so attractive in the Greek Cypriots.

Not that his views on the island's present division are outwardly any different from those of his colleagues in the Democratic Party. Western countries, he believes, should put more pressure on Turkey to force Mr Panf Denktas's self-proclaimed federated state in northern Cyprus to be more conciliatory.

He resurrects the concept of the "long struggle" to regain the north which Archbishop Makarios used and then discreetly allowed to lapse.

He recites, like all Greek Cypriots, the imbalance between the Turkish Cypriot population and the land under Turkish control, saying that the Turks hold 40 per cent of the island. Surely it is 36 per cent, you say, and he replies: "36 per cent, 35 per cent

—what does this figure matter? The Turks are only 18 per cent of the population."

Yet Mr Michaelides is unlike some of his more conservative colleagues in that he admits that there are still extremists among the Greek Cypriots. He believes that there is no immediate danger of trouble from Eoka.

He says the extremists would have no support from the population, but adds: "I am not saying that in a country where there was a coup we should not be careful. We have got to be watchful."

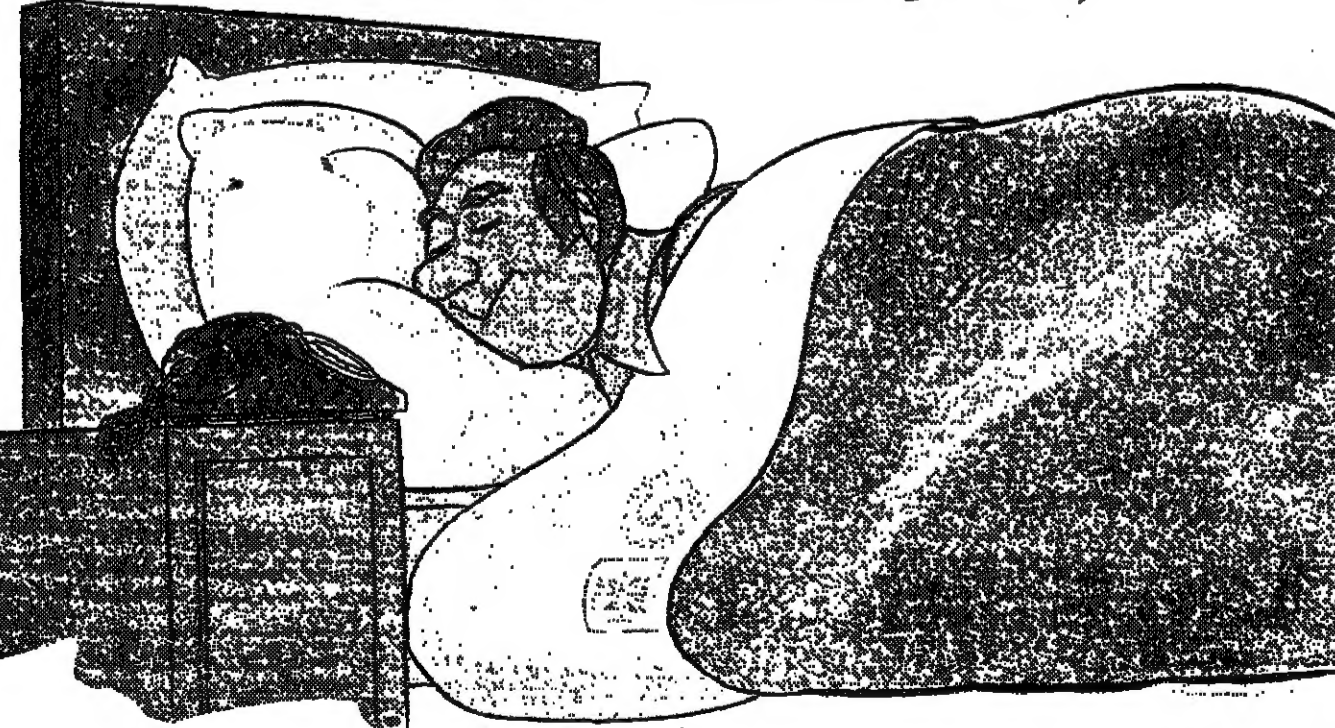
Mr Michaelides speaks calmly for the moment to keep his present office, though he will not answer "hypothetical" questions, he insists he will not stand in the February elections because Mr Kyprianos is taking part.

But Mr Kyprianos has not been well of late and there is already speculation in Cyprus about his possible succession. It is impossible that Mr Michaelides has not heard the rumours himself.

Leading article, page 13

How not to lose any sleep over an early morning flight.

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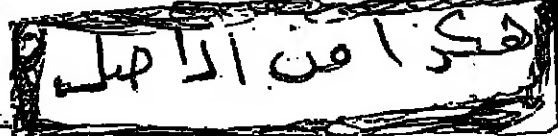
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Answer lies in youthful policy, the problem in youthful supporters

Profound questions for the sober observer

By Gerald Sinstadt

For the Tartan army that lurched noisily and happily from Aulfield on Wednesday night, it was enough that Scotland had qualified for Argentina in the World Cup. The evening was the jubilee. The euphoria owed as much to alcohol as football. Sober observers

change the formula of harassment and ceaseless challenge.

Perhaps there are special circumstances. It is possible that against other more leisurely opponents, Scotland will be able to impose their will, that Jordan's battering runs and leaps will be more productive and less self-destructive. Scotland's

Pearson and McIlroy fit

back in action on Saturday when Manchester United meet bottom of the table Newcastle United at

Ice hockey

NATIONAL LEAGUE: New York Rangers 6, Vancouver Canucks 5. **Major League:** Montreal 7, Minnesota North Stars 6. Los Angeles Kings 2, Cleveland Barons 0.

Try My Best may turn up trump for tried and trusted hands

riat season after beating Alexandra The Great, the favourite, by half a length in the Silver Birch Stakes at Haydock Park yesterday. Jack Hanson, who trains Amber Valley, won the last big handicap of the season twice in the 1950s with

Three colts go for six figures

The first colt to break the six-figure sum yesterday morning was a half brother to High Top, the 2,000 Guineas winner. He fetched 105,000 guineas when David Dick,

the Lambourn trainer. This brown colt by Blakeney will race for a Middle East client. The dam, Camrose, has also produced Cam-

3.45: 1. Grangewood Gbt (evens fav); 2. Solonius (20-1); 3. This (16-1). 9 ran. Polymic did not run.
4.15: 1. Davids Fady (10-11 fav); 2. Bird Cherry (3-1); 3. Delaware Bay (8-1). 9 ran
4.45: 1. Betanac (3-1); 2. Jacksway (7-1); 3. Mary Melody (7-2). Breidden Moor (6-4 fav).

st may turn up trump. d trusted hands

Tough Guy's trainer, Eric Colman, objected to the winner, Spring, but was overruled. At work last week, Tough Guy was beaten a neck by Tribal Call and a subsequent objection was also overruled.

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Newmarket programme

3.35 DEWHURST STAKES (2-y-o : £39,956 : 7f)

401	21	Camden Town (Sir J. Thorn), P. Waleyn, 9-0 P. Ed
402	2123	Labicans (A. Richards), C. Brittain, 4-0 E.
403	10	Moon Sammy (D) (Mrs D. Donnelly), J. Hinder

2111 Sexton Blake (D) (T. Motley), B. HBS, 9-0 W. Ca
3211 Tannenberg (D) (Mrs S. Arnold), H. Cecil, 4-0 J. Me
11 Try My Best (D) (R. Sangster), M. O'Brien, 9-0
L. Ph

20-12-22 SONHEVILLE TATTER-
 DALL STAKES 12-3-3 C.O.99-7; 71
 Don Comins c. by Date of
 Mayes-Domas 13E-11 Decret.
 B-11 P. Edley 10-8-1
 Dromels E. Alide 8-8-1
 ALSO RAN C-1 fav Swindon ham.
 10-1 Quality Smeaton, Victoria

Grey Baron
for
Ascot Gold

noon of such exciting finish
five of the seven races, the
dence of the camera had
called upon to determine the
come. And even when the
good thing. Rampage,
blinded in the dark. The

Market Rasen

4.45 LISSINGTON CH
(Novices: £531: 2m)
310- Carolina. 7-11-9 Mr Fawcett
200- Day To Day. 7-11-9 Mr Brishou

5	Forrest Brown, 7-11-9	Mr. S.
Whp-	Oscar Lad, 11-11-9	Mr. H.
00b	Pavard, 7-11-9	Mr. Raj.
1-04	Rue d'Or, 6-11-9	Mr. A. J.
3-00	Another Marine, 8-11-9	

1) 1. Westward Looking, 2 S. 25° Frank
 2) 2. cense-Tellon 10-6. Mason
 3) 3. 6-7-11 ... J. Stradale -11-13 fa
 4) 4. Cankus ... E. April 19-
 5) 5. Mister Calkins
 6) 6. Le. Gouthwale 110-
 7) 7. ALSO, RAN: 8-1. Squirrels Vine
 8) 8. Nayswing, 10-1: Lend An Ear,
 9) 9. Valley, 12-1 Lizzie Lussac,
 10) 10. Bushbranch (4th), Carlton Saliz,
 11) 11.



Hard Atack, who, has heavily backed for the 15th with, may not run in tomorrow's big race. Ryan Price, the trainer, said yesterday: "Unless heavens open tonight, Hard A will not run in the Cesarewitch."

Catterick Bridge programme

9	102004	Emilienne (B. C. D.), M. H. Estabry, 2-8-12	M. H. Estabry	102004
9	444131	Urbelle, C. Thadion, 4-8-12	A. Alessandri	444131
9	000203	Monica, J. P. L. Carré, 5-8-10	J. P. L. Carré	000203
10	40220	Belle, L. P. Carré, 5-8-10	J. P. L. Carré	40220
9		Blaise, C. D., Doug Smith, 2-8-5	C. D. Smith	
9	002100	Royal P. A. Pott, 3-8-4	P. A. Pott	002100
14	102200	William, R. Sturdy, 2-8-4	R. Sturdy	102200
9	002	Asim, H. Sturdy, 2-8-4	H. Sturdy	002

4.45 CRAVEN STAKES (£407: 1½m 40yd)

SILVER BIRCH STAVES
No. 479, 1m of 15 inch
Pine - Yellow and Red
Pine - Yellow and Red
S. Sorensen (11-2)

An American at Blackpool sees the outrage of the ruling class that no longer rules

The party of frustration swallows as much red meat as decency allows

If Labour at Brighton seemed foreign to an American, the Tories at Blackpool seemed extraterrestrial.

To a journalist schooled in the belief that national political parties must, by definition, represent coalitions, the Conservatives present an anomalous picture. All or nearly all of them look and sound the same. I have searched for three days for a pair of jeans, but the only one I have seen was worn by a BBC cameraman. Even the young women from the Conservative Central Office are primly turned out in skirts or dresses. I have listened for accents—a rich Scottish brogue or a Scouse twang or that cascade of glottals that marks the Geordie—without much success. Just a faint echo of the East End or of Lancashire here and there.

The gulf between the activists of the two parties is so enormous that they seem to be speaking two different languages. In Brighton one's ear soon became desensitized to the clumsy vocabulary of Labour (comrade, trade union solidarity, the evils of capitalism), in Blackpool there is a wholly different set of clichés (trade union tyranny, free enterprise, stand on your own two feet). The miracle is that the parliamentary leadership of both parties manages year after year,

to cling to the broad middle ground while the activists are marching towards the flanks.

It is a magnificently well orchestrated performance that the Tories set before you. No shouting or waving for attention; the chairman announces speakers three at a time, so that everything can move along briskly. No one exceeds his or her time, and few stay long enough to see the yellow warning light. On most questions, it is difficult to tell from what they say, which speaker is in favour of a motion and which against it. The reason, of course, is that most of the resolutions are so vaguely worded that they suit everyone. Here is an example, the product of yesterday's debate on employment: "This conference calls on the Conservative Party to examine fully the country's unemployment situation and to pay particular attention to the increase of youth unemployment which could threaten the whole fabric of our society." A speaker in another "debate" commented blandly: "no one here could oppose the intentions of this resolution", and he was right. Those who reply on behalf of the Shadow Cabinet have an extraordinary gift, which one sometimes misses

until reading the transcripts. They manage to throw the activists enough red meat, in the form of rallying cries off the main point, to obscure the fact that they are disagreeing with much of what has been said.

Mr Murphy was warmly received, but not so Edward Bickham of the Federation of Conservative Students, whose attack on the Smith regime provoked outbursts of foot-stamping, booing and barracking and shouts of "Get off, get off." Clearly, he was uttering the unutterable.

The reason, I suspect, is that for many Tories the white civilization in Rhodesia is a reminder of what they once had in Britain and wish they still had. Not the racist aspect, of course, but the ability of a small group of people to shape the destinies of the unwashed. Rhodesia must seem like one of the last places on earth where good sense and right values have not been turned on their heads.

Several speakers this week have described Labour as the party of envy, a description that rings true, in part, to one who heard the litany of complaints from delegates at Brighton about the ways in which the working class was denied its just

deserts. By the same token, the Conservatives might be termed "the party of frustration". Boiling beneath the bland tone of many of the Tory speeches was the outrage of a ruling class that no longer rules, the bitterness of an entrepreneurial class that has seen its methods of organization copied all too successfully by the trade unions and turned against it. Only Lord Carrington's talents deflected those emotions. With all the care of a man stroking a tiger, he managed to suggest that he had his doubts about Dr David Owen, to denounce Labour's resolution in support of the Rhodesia guerrillas and to warn of Marxist penetration in Africa, all without disagreeing with the broad aims and strategy of the Anglo-American peace initiative.

It was a small masterpiece of a speech, and it enabled the Tories, like the Labour Party last week, to escape from their conference without the kind of self-inflicting wounds that would have smothered all during the next general election campaign.

R. W. Apple, Jr

The author is Bureau chief of the London office of the New York Times.

Bernard Levin

What devilish purpose can the Russians have in persecuting the Angel of Moscow?

When 23 victims of Soviet persecution combine to describe a twenty-fourth as an angel, and even put the word in capital letters, their opinion is worth attending to. There is, however, an important qualification to be made before we go any further: strictly speaking, the 23 are former sufferers, whereas the twenty-fourth suffers still.

Her name is Ida Nudel. She is 47 years old, an economist. She has never had anything to do with defence or any other security matters. She has one sister, who is married and has children; there are no other surviving relatives. In 1971 all of them applied for visas to leave the Soviet Union. After no more than the usual harassment and delays, the others were allowed out; she was refused permission to go, no reason being given. (They did not want to leave without her, but she insisted.) From that day to this, through six years of increasingly horrible suffering, Ida Nudel has met only an unbroken wall of adamant refusal to let her leave the vast prison that is her native land.

Miss Nudel is a sick woman: she has heart trouble, and for several years now has had a persistent stomach ulcer as well. She was, of course, sacked from her job as soon as she applied for a visa (this is automatic, whether the visa is granted or not), and was immediately subjected to the KGB's favourite Catch-22: their victims are not allowed to get a job, but if they do not work they can be charged with "parasitism" and imprisoned. Miss Nudel now manages to scratch a living as a cleaner, but—this is where the 23 strong testimonial to her angelic status—in has for a long time now devoted all her available time to helping fellow-vic-

tims of Soviet persecution who are worse off than she.

This means—since it is hard to think of a way in which anyone still at liberty could be worse off—those who are in the prisons and concentration camps of the Soviet Union, having committed no action recognised as criminal in any civilized land. Ida Nudel has been tireless in sending letters to the prisoners, even flooding, from her pitifully small resources, money for gift-packets to help them to stay alive. (The 23 signatories speak of those "about whom the world at large hears little", and for whom she "does everything she can to keep their morale on a higher level.")

Her sister and brother-in-law write to her (from Israel, where they settled), but no communication from Ida is allowed out other than uninformative postcards; her telephone was taken away four years ago (she was told that it was the property of the Soviet people), and the only real news they (or anybody else) get from her comes through the reports and messages of tourists and other visitors to the Soviet Union who have managed to see Ida. She, incidentally, lives entirely alone in a flat in a remote district of Moscow; her home and she are under continuous surveillance, though so far no caller has been prevented from entering. As far as is known, she has no active contacts with any dissident group; certainly she has done nothing against even the most barbaric provisions of Soviet law. And, of course, her continued detention is in violation of the Helsinki agreement on divided families.

The 23 signatories to the appeal on Ida Nudel's behalf are all former prisoners of conscience in the Soviet Union (where is, incidentally, an extra

There was no reason why Ida Nudel should have been singled out for such wickedness

irony in her case, in the fact that Amnesty cannot help her since their organization works only on behalf of those who are imprisoned, and she is still "free"); the list is headed by Sylvia Zelmanov, one of the bravest and most steadfast of Soviet victims. "We," they say, "who have succeeded in escaping, and have been given the opportunity of making a new life, cannot stand idly by while Ida continues to suffer."

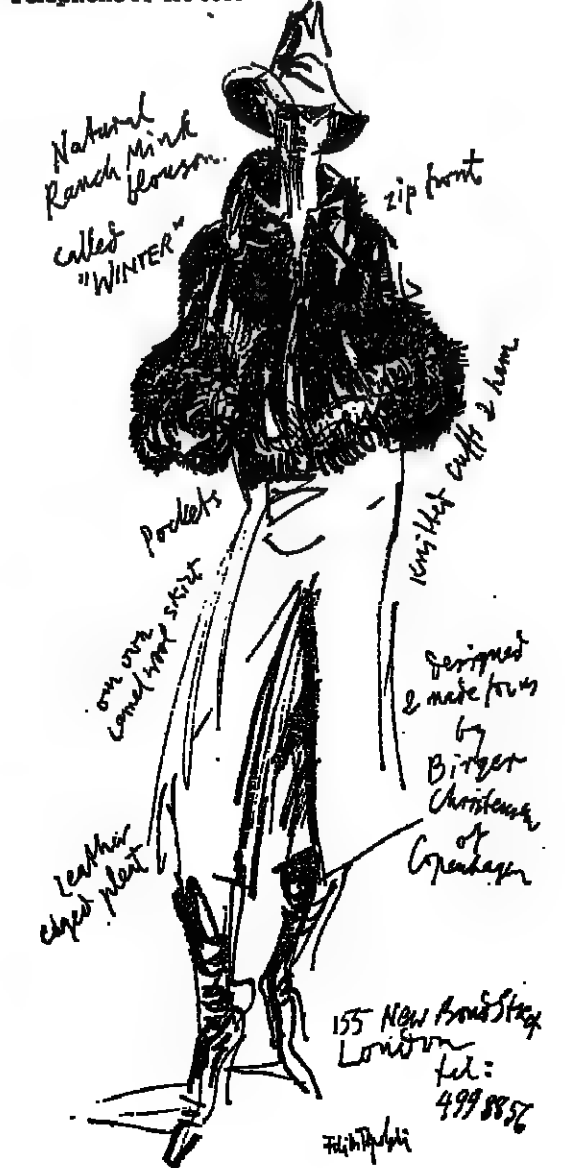
And suffer she does. Alone, isolated, with no telephone and restricted correspondence, spied on all the time, her health bad and getting worse (she will soon have to have an operation for her ulcer—if indeed she is not refused one as a further punishment), Ida Nudel remains a living, a barely living, testimony to the reality of Soviet life, and also to the indomitability of those who know the truth about it and are still, despite the possession of that frightful contraband, in its clutches. As I hope I have made clear, here is in many ways a special case; and there is another way in which she differs from many who have experienced Soviet persecution. She is not an active dissident in any way; she has fallen foul of tyranny for no reason other than her (perfectly lawful) application to be allowed to leave and her humanitarian work on behalf of other victims of the same tyranny.

And now it is time for my regular question, which you must be as sick of hearing as I am of asking. Cui bono? I know, of course, why Ida Nudel has for more than six years been treated thus; *pour*



Ida Nudel: six years of suffering that the Soviet authorities can neither defend, explain nor condone.

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Quicker pace for historical research

The image of the historical researcher as an engagingly old-fashioned fuddy-duddy is going to be dragged bleeping into the twenty-first century on Monday, when the Public Record Office opens its new £10m building at Kew.

Automation and computers make it the most futuristic system in the world for uniting historians with the documents they want. To get in, the historian has to insert his readers' ticket in a turnstile with a Cyclops eye, which checks with the computer and rejects it if it is not in order. He is issued with a radio teleprinter unit to attach to his person, which beeps and winks a green light at him when the documents he wants are ready. Then he taps out the documents he wants on one of a series of visual display terminals.

The computer tends to tap back on its screen: "the record which you requested is already in use; please try again later." The record requested is fetched from the 80 miles of shelving on speedy electric trolleys, and dispatched down an automatic "paternoster" perpetual motion lift.

Even in his seat in the reading room, the historian is surrounded by sockets for electric plugs, in case he wants to use a calculator or an electric shaver. Closed circuit television spies on him invisibly from the overhead lights, in case he doodles on the Cabinet minutes which Azlee used to, or tries to reach something in the computer stores in its memory bank wherever documents he sees, in case they are found to be damaged later. The men and women of the national archive say that the new system will enable them to produce any document within a quarter of an hour, whereas the old system at Chancery Lane and its branch repositories (cheerful people pushing trolleys down narrow passages) could take over an hour.

But for the first week or two it will give opportunities for academic misadventures with technology worthy of M. Hulot or Charlie Chaplin.

Big setting and swing
It takes quite a gimmick to persuade a chap to get out of bed to watch something at breakfast time, but yesterday morning the French Golf Federation found one. Before lustre press officers perk up and start to take notes, they should be warned that to stage such a gimmick they require the Eiffel Tower and a golfing giant of the stature of Arnold Palmer.

"Two monuments are going to find each other again after a year long separation", the press herald said romantically. "The monument of golf, Mr Palmer and the monument of Paris, the Eiffel Tower. Together they are going perhaps to establish a new world record." Well, possibly. There certainly seemed to be

a world record number of journalists up at 8.30 in the morning: right up in fact on the 377 foot high second floor of the tower. As they tore croissants apart and waved vainly at waiters for more coffee, the federation made the most of its captive audience by haranguing it about the inequities of the French tax on golf.

Golf in France is considered so much of a rich man's port that it is subject to a form of wealth tax.

But yesterday the sun glared down out of a bright blue sky and there was not even enough wind to make his shocking pink shirt collar flap in the breeze. While insane photographers swung like monkeys from parts of the tower above his head, he drove off three times.

The first bounced once and landed in the pond halfway between the tower and the Ecole Militaire. Worried policemen pushed a parked car out of the way. The distance was reduced to the breathless press—323 yards.

And sell by shares in Weddingtons...



Strawberry (Hill) for tea

The common use of the teacup (Mr Worthing, to use a teacup commonly...) was occasioned by Stephen Hales almost 300 years ago, because he wanted to prevent the crumbs of jam

Plastic but at a stroke

Weird and wonderful are the ways in which the Tories are trying to sweeten every Sunday. One idea at the Blackpool conference complex this week has got some heads shaking in despair. It is a £1 Treasury note quashed inside a flat plastic block and bearing the legend: "Labour's shrinking pound". Selling price £10.

In a vain bid to initiate a fringe debate on the economy, I put it to Sir Geoffrey Howe, shadow Treasury spokesman and Edward du Caine former Party chairman, that with the Tories hell bent on curbing inflation and with the nation's eyes fixed on them this week, this expensive gimmick was ill advised.

Neither had seen it and they both reserved judgment until they had Dennis Thatcher, husband of the Party leader, bought one. Surely not a gift for his wife's 52nd birthday?

Predictably, the biggest cheer went to the Tories, who have been Michael Heseltine, the less one suspects for political ideology than for boyish charm and golden rule. And of course, for his inner-lane dress sense. It was later that inspired one of the Tories to comment: "He dressed himself. To which I said: 'Yes, and so did I.'"

Blue but gold

Yesterday, Mr. Heseltine, the shadow Secretary of State, was asked by a Tory MP to comment on the fact that the Tories had lost the election.

Devolution: what chance for the English?

Because the English, who account for more than four fifths of the United Kingdom, are not specially interested in nationalistic posturing, (and tend, to regard the term "English" and "British" as synonymous), it is mistakenly thought that they do not care about devolution. In fact, support for regional devolution, though it is growing fast, although it has nothing to do with nationalism. In England devolution means reversing the centralist tendencies of post-war British government, and asserting local rights to run the administration of public services. It is not about reviving the celebration of St George's Day.

Opposition by some English MPs to devolution in Wales and Scotland, on the ground that it upsets the balance between the countries forming the United Kingdom, is less relevant than it seems. Even if this pressure brings, as indeed it should, broadly equal constituency representation throughout the kingdom, that is no more than elementary justice for the English voter who has been under-represented.

Devolution, looked at from a purely nationalist standpoint, has resulted in clumsy attempts to intrude quasi-federal institutions into a unitary state, and, in this form, will continue to offend English public opinion. But, considered as a programme for strengthening local and regional self-government, devolution becomes a natural and overdue improvement in our constitutional arrangements. And if the Conservative Party is to stand for the maintenance of the Union as an article of faith, it must acknowledge an equal democratic voice in all parts of the realm, not only through their representation in the House of Commons, but also through local and regional government.

Renewed demand for structural change is already conspicuous among people engaged in local government, although memories of the rushed reorganisation of 1974, the hard discrimination of the new system has led the Environment Department to contemplate transferring education and social services to the 10 largest cities in the shire counties. The national security of the Labour Party in its most recent manifesto documents, *Regional Authorities and Local Government Reform*, boldly advocates a regional tier of authorities replacing the county councils, even though this would benefit the Conservatives, who, not mainly committed majority of the English electorate.

The Greater London Council resolved last year, with all party approval, to call for powers similar to those likely to be devolved to the proposed Scottish Assembly. The Association of District Councils wants many county functions, including libraries, planning control, highways (other than strategic routes), and personal services to be transferred to them in whole or in part. The Association of Metropolitan Authorities is demanding the return of local government to the health and water services.

The Layfield inquiry into local government finance leans heavily on the side of "localist" solutions to the problem of financial responsibility. Mr. Layfield's ideas were rejected by both Government and Opposition alike. But in Parliament and outside, criticism is increasingly directed at the burgeoning bureaucracies of the satellites of central government, known as "quasi-autonomous government" organisations.

English devolution is neither organized nor united about its objectives: done the less the movement is already attracting

opposition. Conservative councillors in the big cities of shire counties have been the disapproval of their members' from bench rallies for welcoming Mr. P. Shere's ideas on devolving control and the social services. This is, of course, the next stage of regionalisation, however limited it appears at present. For a "most-purpose" status granted to certain districts in the shires, a number of other large councils, of them former boroughs, will form requesting similar treatment. No logical point will then be reached at which any government can cry halt.

The county councils, however, are not so easily having lost a service, account for more than their budgets and their share of these, responsible they would scarcely be separate electoral areas. What would their election be? The first stage, Refuse disposal, is planning? After less than a century as administrative of local government, what signal the beginning of a new era?

The unique opportunity presented, offered by devolution in a unitary state, is that some 12 county regional councils, whose boundaries coincide with shire counties, could be strong enough to replace the proliferate government agencies, corporations, boards and authorities which administer many services at regional level, and the relevant elected powers of government. They would also cover the remaining functions of the old county councils, including education, health and social services, moved to the districts. These would be the main pillars of the new system.

Financially, a grant as already proposed by the Scottish Assembly, is probably the only workable arrangement. Short of regional taxation, which would be a disaster, the main pillar of the new system would be a grant from the central government.

Perhaps the cool reason normally accorded to English MPs' opposition to English devolution is that it is a recognition of their past electoral councils operating public transport, principal roads, and so on. But the Tories, who have been in power since 1979, have not intervened in the affairs of the Scottish Assembly, because the consequences would be serious.

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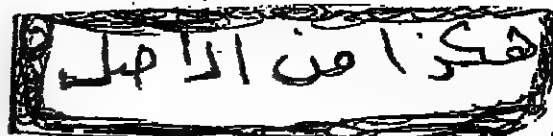
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LETTERS TO THE EDITOR

Tory attitudes to comprehensives

From Mr Maurice Holt
Sir, In his review of Sir Ian Gilmour's book on Conservatism (October 10), the Opposition spokesman on education comments that "Sir Ian rightly singles out the universal imposition of the comprehensive school as one of the lethal consequences of dogma in politics". Can such intemperateness and insensitivity be representative of the New Conservatism, which professes "the improvement of social and economic conditions, balance and moderation"? If so, there must be many people like myself who share those laudable aims but who can see no chance of a Thatcher administration pursuing them.

Mr St John-Stevens forgets that many Conservative education authorities pioneered comprehensive reorganisation—because the parents of children rejected by grammar schools (all 87 per cent of them) do not like the feeling that they have produced second class citizens. Whether they are rejected in favour of Air-crews' secondary moderns, or Thatcher-style comprehensives, is immaterial.

There are now more French than English children in comprehensives. All advanced industrial societies see the provision of the common school as a social and economic necessity. The sad thing about Mr St John-Stevens and Dr Brown is not the petty wishfulness of their policies, but their failure to come to terms with reality. Surely there are Conservatives with the political courage to look forward rather than back, and tell us how they would improve comprehensive schools?

Yours faithfully,
MAURICE HOLT,
11 West William House,
Clontarf,
Dublin, Co. Dublin,
Devon.
October 11.

Arts Council post

From Mr Geoffrey Grigson
Sir, The choice, in succession to the distinguished poet Roy Fuller, of a new chairman for the much criticised Literature Panel of the Arts Council will startle many readers and writers. I do not attack Mr Melvyn Bragg who has his living to earn; but few people would be more than just aware of his literary existence as a minor novelist and a book reviewer if he had not conducted so many television book programmes (on which so many silly books have so often been trivially discussed). Affability on television, that modern foundation of eminence, does not qualify anyone for anything—except more television; and such an appointment is hardly likely to make the Arts Council credible as a protector and promoter of the best in new English literature.

Yours faithfully,
GEOFFREY GRIGSON
Broad Town Farmhouse,
Broad Town,
Somerset,
Wiltshire.
October 13.

Newspaper proprietors

From the Chairman of Associated Newspapers Group Limited
Sir, In David Wade's article on the radio in your issue of October 8 he describes me as sounding both languorous and recalcitrant but he himself appears to have been somewhat languorous, even negligent, for journalists, even having appeared, listened to the "Press Barons": he thinks that Mr Victor Matthews is the proprietor of the Daily Mail! Yours faithfully,
VERE HARMSTWORTH,
New Charnel House,
Carnegie Street, EC4.
October 12.

Listing historic buildings

From Mr John Harris
Sir, You report (October 8) the concern of the amenity societies (one of which I am a council member) at the decision of the Department of the Environment to slow down listing historic buildings. It is unfortunate that this should happen barely a year since Lady Birk made a statement singling out late Victorian and Edwardian buildings for demolition in terms of priorities. How can Lady Birk justify her promise that no important building will be demolished, when she counters that after 1870 are unlisted and therefore vulnerable? Protection is gained by practical listing not by rapid political promises.

The salaries of six investigators could easily have been saved by economies across the board, especially in cutting back on projects for the restoration and redecoration of buildings in the Department's care which could easily be left alone for the few years that it will take to get the lists up to date. Somerset House is a perfect example. For the second time in ten years an attempt has been made to restore the "Fine Rooms". The expense must have been far more than the sum total of all Lady Birk's investigators' salaries. Yet despite the existence of the most precise and detailed information, left to us by the architect himself, about the colour of every wall and ceiling in this building, the restoration has not succeeded in getting one right. Is it surprising that we are sceptical of Lady Birk's promises, or that we look with mystery upon the Department's mentality and closed shop operations? Yours faithfully,
JOHN HARRIS,
106 Limerston Street, SW10.

Singing the blues

From Professor Sir Brian Pippard
FRS
Sir, Your front page photograph (October 12) of the Conservative leaders singing "Let there be light" makes me wonder whether they sang to the traditional tune "Moscow". Yours faithfully,
BRIAN PIPPARD,
30 Poisson Road,
Cambridge.

Union recognition as legal right

From Lord George Brown
Sir, It occurs to me that in this closed shop argument all we participants have so far failed to make one essential point and distinction clear. That is the difference between Compulsory Trade Union recognition with bargaining rights: and a Compulsory Closed Shop agreement.

Grumwick has shown most clearly how necessary the first is unless a ruthless and unsympathetic employer is to be able to subvert his workforce and put at naught all Trade Union efforts legitimately to represent them. Mr Grandam and Apter would doubtless now agree. Yet the reason we don't have in Britain this elementary Trade Union right, which the American Union originally won in the Wagner Act in the 1930s, is that our Unions have refused it. It should clearly now be given legislative force here on similar terms.

The compulsory closed shop is another matter entirely, and is totally unrelated to the main issue of one to one hundred per cent trade union membership. It is a device which ties a particular worker to a particular trade union and a particular employer to a particular union's officials. It precludes all effective right of protest by the worker and is the essential basis for the Teamsters' questionable and worse activities in the United States and less reputable sayings, but equally unacceptable, practices in some Union officials here. This should on no account be legally permissible.

A Government which provides for both of these together could not, by definition, have been attacked with the unions.

Yours, etc,
GEORGE BROWN,
House of Lords.

Resisting censorship

From Mr David Webb
Sir, The current mass police raids on London's private cinema clubs, presumably carried out at the request of, or in collusion with, the Greater London Council, or at least a caucus of its members, would seem to be an attempt to bring about the "permissive" or what former Home Secretary Roy Jenkins preferred to call "civilised society". It is yet another example of our ever diminishing liberties.

How surprising, therefore, that such a council should be overruled by a council controlled by a political party which constantly campaigns on a platform of "the freedom of the individual". What is more disturbing is their acknowledged intention of using other powers, like the right to regulate, to bring about their real aim of closing down establishments of which they personally disapprove.

It is of particular relevance to note here that last Saturday, October 8, 6,250 policemen were on duty in Greater Manchester, at a cost of £220,000, to protect the individual freedom of one man, carrying a placard bearing the words "Defend British free speech from Red terrorism", to march through the streets.

In London, however, a much smaller but still costly band of policemen are employed to deny the individual freedom of 7,000,000 citizens to see the films of their choice. This is not just a gross insult to us all but in flagrant contravention of Article 10 of the European Convention on Human Rights, to which the United Kingdom is a signatory. Article 10 states that "Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers."

It is a verifiable fact that we already have the strictest censorship laws of practically every country of so-called free Western Europe, and also of most of the United States. The Tory controlled GLC is apparently determined to make these laws even more draconian. If it does so, all the Conservative talk of working for a freer society will prove to be a hollow sham and their will be identified with censorship and repression. It will surely be only a stone's throw away from the next logical step, their requiring a licence for writing such a letter as this one.

Yours sincerely,
DAVID WEBB,
Organizer, National Campaign for the Repeal of the Obscene Publications Acts,
15 Sloane Court West, SW3.

Party, instead of getting bogged down in the quagmire of the closed shop and other outmoded trade union problems, will do some constructive thinking of its own about the way in which works councils should be set up and operate in order to get both management and staff working together to produce better and more progressive attitudes towards economic change.

Yours faithfully,
MALBY CROFTON,
Town Hall,
Kensington, W8

British presence abroad

From Professor Dr Herbert Gräbes
Sir, The members of the Conference of Professors of English in the Federal Republic of Germany, representing 42 universities, at their annual meeting in Regensburg have charged me to communicate their dismay at the recommendations of the "Think Tank" concerning the abolition or reduction of the British Council.

We are unanimously convinced that cultural and educational relations play a vital and indispensable part in the harmonious relationship which exists between Britain and Germany. On the German side much emphasis is laid on cultural relations, which the Government of the Federal Republic of Germany has described as the third pillar of its foreign policy.

We believe from our collective academic experience that lively relations in this field require the guidance and promotion which the British Council provides. Our own collaborative association with the German Council leaves us in no doubt that it functions effectively and economically in the interest not only of British-German relations but also of Britain's cultural and moral standing in the world. This cannot easily be assessed in financial terms, but it is a precious asset to Britain and a surety to other nations.

We would remind those who will be deciding on the report's recommendations that they should have in the forefront of their minds Britain's long term interests, bound up as these must be with her relations with other countries.

Yours faithfully,
HERBERT GRÄBES, Chairman,
Conference of Professors of English
Philosophikum B, III,
Rathausstrasse 17,
6300 Giessen/Lahn,
October 7.

Agatha Christie

From Mrs A. A. Hicks
Sir, I have recently seen numerous reports that a film is to be made based on the disappearance in 1926 of my mother, Agatha Christie. I would like to take this opportunity of saying that this film is being made entirely without consultation with any of my parents' family, is altogether against our wishes and is likely to cause us great distress.

I understand from reports in the press that the film will be labelled as fictional. Judging from the details which the producer of the film, Mr David Putnam, has released to the press, it could hardly be described as anything else. It is, however, the idea of the positive identification of my parents—both in the proposed title of the film, *Agatha*, and also presumably in the names of characters in an admitted work of fiction—that I find particularly objectionable and morally beneath contempt.

Let Mr Putnam have his fairy tale, if he must, but please do not let my family be brought into it. I can see no reason why this should be done other than for the commercial exploitation of my mother's name, which in the past has contributed and is still contributing much to the British film industry and also to the enjoyment of hundreds of thousands of people throughout the world.

Yours faithfully,
ROSALIND HICKS,
Greenway House,
Churston Ferrers,
Brixham, Devon.

Radical thought in universities

From Professor Julius Gould
Sir, The main point of *The Attack on Higher Education* has been willfully obscured. In a free society there can be no ban on teaching from the Marxist (or any other) standpoint—even though, as Bernard Levin writes (October 11), "Marxism is incompatible with any kind of freedom". Marxist ideas can, however, be presented as received and established knowledge and Marxist teaching can (and often does) become a form of proselytising and indoctrination. When this occurs it should be challenged. In many places such a challenge is very hard to make. No one should be put in the position of the sane and liberal scholar who has written to me:

"Unfortunately I have not got your academic freedom to say what I think. I despair of what most of my colleagues do here. It is the crudest indoctrination."

I did not claim that there is a "Great Conspiracy to subvert liberal and pluralist values" or a network of subversive professors of "all who accept or are influenced by any aspect of Marxist thought or any other ideas conducive to such acceptance". Nor did I say that the Communist Party of which most (later) is behind it all, neither wrote nor believe such simplistic nonsense. On the contrary, I documented the interesting diversities among Left Radical writers—many of whom are zealous to create a socialist society. Nor one of the critics has deigned even to mention that the more grotesque Radical themes—such as the relativist onslaught on objective knowledge or the view that the social services are simply propping up capitalism—have been attacked (for their own reasons) by the Communist Party's own writers on these matters: I quoted from such writers and commended those attacks.

Those who say that I "nowhere attempt" serious rebuttals of Marxist cultural materials overlook those sections of the Report that are devoted to discussing and illustrating the strategies that Left Radicals employ in several disciplines. Moreover, the burden of rebuttal need not be placed entirely on my shoulders. After all, there are many such rebuttals (combined with sympathetic accounts of Marx in his historical context): these are available in many languages (including English) and some at least of your correspondents must know where to find them. There are also the cries of "prohibition". Neither the word nor the idea appears in the Report. Obviously I oppose the diffusion of tendentious, vulgar Marxism but I quite explicitly do not seek to "prohibit" it. My record of liberalism in academic matters (including my part in the

granting of awards by public bodies) is quite well known.

Some critics raise the question of the names that appear in one of the appendices. That short appendix discusses the longstanding interest of the British Communist Party in educational matters. For several years it has promoted "Communist Universities" in London (CUL) and, on a smaller scale, elsewhere. You may feel that these events are utterly unimportant. The Report did feel them worthy of mention. We merely gave the names of those whom the Communist University itself described as "specialist speakers" at its 1976 and 1977 sessions. As the appendix made clear, the list was not compiled by us. It was freely distributed by the Communist University itself in one of its brochures. We reprinted it unaltered and without comment.

The Report makes another point abundantly clear. We quote the CUL's explicit statement: "Many of these speakers are not Communists but all share the view that Marxism can be fruitfully and creatively applied and make a valuable contribution to their area of work." When the CUL (or any other body) publishes such a list it does not acquire any privileged status, nor does it turn into a "blacklist" once it is seen, or referred to, by others. In fact several of those mentioned are the Communist Party writers whose views I had earlier commended.

Two final points: I certainly understood the excellent reason why, despite their approval of earlier gatherings, the Bertrand Russell Peace Foundation withdrew its support from the 1977 Communist University of London; and I would be truly sorry if our abridged reference to that withdrawal suggested otherwise.

The Council for Academic Freedom and Democracy (CAFD) has been very often criticised—not because anyone believes that it is a front organization in the Army sense in which the term means a Communist-sponsored body. There are, however, cultural groupings which are established by Left Radicals within their wider political concerns. Those who founded CAFD included many Left Radicals—and many of those who were the recipients of academic freedom and democracy "derive from explicit opposition to the larger structure of our society as it is today." I may welcome their frankness but I reject their conclusions.

Yours sincerely,
JULIUS GOULD,
381 Derry Road,
Nottingham.
October 12.

Future energy sources

From Professor D. C. Leslie
Sir, May I, as a nuclear engineer, support the call from Professor Sir Martin Ryle (October 5) for firmer action on conservation and for the development of windmills. Sir Martin accepts the need to install as much nuclear power as possible, and argues that even when this is done a large gap will remain between supply and potential demand. The size of this gap is very dependent on one's views of future growth and of the contribution of conservation, but it seems likely that we shall need any further contribution that alternative sources can make.

At present, windmills are the most attractive of these sources. They are nearly economic on a really windy site, and unlike waves and the Severn barrage, they do not require a vast initial investment. This country has the expertise, in its helicopter and electronic control industries, to tackle the principal development problems.

However, *Energy Paper No 21* suggests that Sir Martin is being over-optimistic about their economic potential. A core of a windmill could be less than half that of a pressurized water reactor. But the load factor of the reactor will be 60-70 per cent, while that of the windmill will not exceed 35 per cent even on the windiest sites, and that the cost per megawatt will be very similar. On a typical coastal site the windmill load factor will be no more than 11 per cent, and its cost per mean kW will be three times that of the reactor.

This suggests that the immediate need, once the windmills have been developed, is to test the acceptability of putting them on the tops of large hills, and to produce a marine version capable of standing up to conditions offshore, where the winds are also strong. This marine version would be more expensive than the land based version costed in the *Energy Paper*.

Sir Martin also calls for the development of one-week heat stores. While these could substantially diminish the peak load, I believe that practical considerations work against them. A one week store for typical existing houses would be fifty times the size of a 2 kW storage heater, if it used hot bricks; if it used hot water, it would need a tank capacity of around 5,000 gallons and would almost fill a small living room. Such stores are too big to be easily incorporated in existing houses. New houses could be designed around such units, but it may be more attractive to concentrate on improving the insulation. It seems possible, using existing techniques and without excessive expense, to build houses whose heat consumption would be no more than one third of the standard present day house.

Are we doing enough on this simple but apparently profitable line of development? As well as reducing the heat load, this approach will very much reduce the size of the capital cost of the windmills. These smaller stores will be much easier to fit into the houses, but their residual impact on the national energy economy will be much less than that of the bigger stores envisaged by Sir Martin. (Present local council policies that for the same reason, really effective insulation may make combined heat and power schemes unattractive.)

Yours faithfully,
D. C. LESLIE,
Department of Nuclear Engineering,
Queen Mary College,
University of London,
Mile End Road, E1.
October 12.

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Yours faithfully,
D. C. LESLIE,
Department of Nuclear Engineering,
Queen Mary College,
University of London,
Mile End Road, E1.
October 12.

Productivity in Britain

From Mr M. J. Knight
Sir, Mr Rees-Mogg is right to highlight over-manning and restrictive practices as a cause of our low productivity and low wealth. But he does not generate and oversimplifies this issue, whilst suggesting that the responsibility for management's failure rests with the trade unions.

Whilst gross over-manning is undeniable in some industries in both the private and public sectors, Mr Rees-Mogg should not forget that the greater part of manufacturing industry is comprised of small firms or plants of under 1,000 employees. As a Director of a group (of European parentage) with a dozen or so units in the UK, I would suggest that an analysis of the main causes for low productivity would not identify restrictive practices, over-manning, or refusal by trades unions to allow the introduction of modern equipment, as amongst them.

Management's poor performance has many deep-rooted causes; amongst them are the failure to understand the opportunities for profitable growth due to inadequate marketing, inadequate effort in product development and industrial engineering, and neglect of the continuous and difficult task of improving methods, procedures and the effectiveness of support functions.

Management has been conditioned to invest, typically, not in marketing or in product development and engineering (which are the pre-

SPECIAL CONSTABLES

Mr William Whitelaw's concern is that the way policemen seem to be younger every year goes beyond the usual apprehension of advancing age: he fears that they really are getting younger. The police are suffering acute manpower problems, not only at lower levels, but also among the established and experienced officers at a stage in their careers when they might have been expected to have settled down to long service in their forces. The figures of overall decline in manpower are serious, though not unprecedented. The exceptionally high rate of loss from senior ranks may prove to be a still greater threat to the skills and traditions of the service.

Pay is undoubtedly a major influence in these defections. After the large pay rise awarded in 1975, recruitment rose to record levels. Now, after two years with only one small phase award, resignations are beginning to outstrip applications even though jobs elsewhere are so hard to find. The growth of private security firms, where pay rates are generally higher, may account for part of the loss, but scarcely for all of it. The rising rate of violence against policemen must make many wonder whether the rewards are still worth the risk.

These trends, quite apart from many considerations of equity, are the harshest and most urgent reason why the police must be made a special case under the Government's pay guidelines.

When fringe benefits are taken into account (the lodging allowance, for instance, averages about £11 a week) average earnings are not exceptionally low. But wherever fringe benefits are important, some individuals

usually get very much less than the average. Relative rewards have fallen behind over a long period—well behind what was recommended by the 1960 Royal Commission and much further behind what the police enjoyed before the war. Pay comparisons are not sacrosanct, but this particular decline cannot be justified either in terms of redistribution of wealth or of any reduced social need for the services in question. The police also claim that they were unfairly dealt with under phases one and two. There is not much in that: phase one was bent to let their award go by, and if they had had it earlier and therefore enjoyed the £6 that they missed, they would be stymied by the twelve-month rule today.

As it is, there is no reason in principle why the Government should not approve a settlement well over the rate that it has set up as a national average, and there are good practical reasons why it should. The rigid form of counter-inflationary incomes policy ruled out major concessions before last August, but the current formula is designed to admit exceptions. The stress on the average implies, of course, that if the police get more some other categories of public servant should be required to make do with less than the going rate. Otherwise cash limits will make further inroads into jobs and services, unless the Government ignominiously chooses to discredit its own policy.

In practice, therefore, the police cannot be made too much of a special case this year. The Police Federation have demanded increases ranging up to 70 and even 100 per cent. It would have been easy and popular for the Opposition to go some way

towards endorsing these claims. But Mr Whitelaw contented himself with speaking of "substantially more than 10 per cent". That was realistic, scarcely even controversial. There can be no question of regaining in one year the 50 per cent or more that the police claim to have lost over many years.

The present pay negotiating machinery has lost the confidence of the police, and is at present under review. Mr Whitelaw spoke yesterday of a commission to ensure that they should receive the full rewards society owes them. He did not say whether he had a standing body in mind, or one that would set up a guiding mark once for all. Perhaps he implied the former: certainly there has been no shortage of committees attempting to do the latter in recent years.

The police are probably wrong to think the Home Secretary would be a more indulgent negotiator than the joint battery of central and local government representatives that they have faced in the past. In any negotiating arrangement, the police's local employers will always need to take a share. But the police favour a comparative formula similar to that proposed by the Royal Commission. No other category of worker does a job that is fully comparable to that of the police, and comparative processes tend to rigidity in the long run. But Civil Servants have not done badly out of it. The persistent relative decline in police pay does suggest that while police are inhibited by law, as they must be, from the last resort of industrial action, the present negotiating machinery has failed to safeguard their interests as fully as their special role and obligations require.

RENEWED CONFLICT IN THE PHILIPPINES

During the past week a succession of grim incidents, each apparently on the pretext of revenge for the preceding clash, has shown that the cease-fire between Philippine government troops and the Muslim rebels of the Moro National Liberation Front is threatened. The incidents were on the main island of Mindanao. At least half a dozen other incidents of equal ferocity have been reported from the neighbouring small islands of Jolo and Basilan, again on the plea that the other side had broken the truce and for that reason an ambush had been laid and vengeance exacted. Though neither side has yet denounced it, the cease-fire painfully agreed last December in Tripoli is breaking down.

After five years of conflict the Philippine Government should not allow this to happen. They are well aware that the Muslims in Mindanao have a strong sense of separate identity. It should be recalled that their conversion to Islam pre-dated Spain's Christianizing influence in the Philippines in the latter part of the sixteenth century. Indeed, Spanish control in Mindanao was not even established until 1840 and the independent Muslim

sultanate only accepted Spanish sovereignty in 1851. What gives the present rebellion its particular character, aside from such historical factors, is the support the MNLF has enjoyed from fellow Muslims, expressed through the forty-two national members of the Islamic Conference and more particularly by the active and intransigent Colonel Gaddafi in whose care the Muslim leader, Mr Nur Misuari, has been living in exile. It was under Colonel Gaddafi's auspices that the negotiations were held last year resulting in the cease-fire in December.

With that agreed, the intention was to proceed to negotiate some kind of autonomy for southwestern Mindanao, the MNLF having dropped its earlier demand for an independent state. But these negotiations very soon broke down, the secretary-general of the Islamic Conference finding that the Philippine Government had not been "sincere" in its attitude. The cease-fire commission, to which the Muslim states of Somalia, Senegal, Libya and Saudi Arabia contributed members, also withdrew. During the summer the conflict flared up while hopes of a solution were dissipated.

Admitting this deterioration President Marcos has lately called for fresh negotiations but without any participation by the interested Muslim governments. He certainly resents the part they have played, no doubt believing that but for their support the rebels would long since have been defeated. He can also demonstrate by opinion polls that support for Muslim autonomy in the region has much declined but this is attributable to the influx of Christians whose superior economic advantages as settlers were one cause of the Muslim revolt in the first place. Now four million Christians are mixed in with two million Muslims and the Muslim majorities in some provinces are being eroded.

Like all such insurrections there is no military solution in sight for either side. President Marcos says the breakdown of the cease-fire is the fault of the MNLF but such charges and counter-charges are equally fruitless at this stage. So, too, will be an attempt to exploit divisions among the Muslim governments backing the rebels. The only hope is a return to a more tolerant spirit to the negotiations agreed last December.

Plea bargaining

From Mr Brian Raymond
Sir, It is high time that the controversy over plea bargaining passed on from the validity or otherwise of the McConville/Baldwin research to a more general discussion of the problem. As a solicitor who has worked for a number of years in this field, I am convinced that the practice, if properly conducted, can be of considerable benefit to defendants without prejudice to the interests of justice or of the community at large. The problems arise when the case leaves the defence without any real choice in the matter as a result of undue pressure upon him, but to understand how this happens it is necessary to appreciate the unusual circumstances in which the "bargaining" takes place.

Almost all "warned" cases now operate a "warned" list system to establish when a case is to be heard. No fixed date is given for a case, but at a certain point it is placed in a list of cases which are "warned" for a fortnight period, usually of two weeks. During this period the case may come on at any time, the defence being notified only at about 4 pm on the preceding day.

This causes severe difficulties over the choice of barrister: the conscientious solicitor, having chosen a able and experienced counsel with whom the defendant has met in conference, is invariably faced with a last-minute change to another whose entire knowledge of the case will have to be cobbled together overnight. At court, the defendant faces a total stranger, often with a superficial grasp of the detail and who has taken no part in the earlier proceedings and discussions, and yet he has to rely upon this individual to represent his interests in the delicate business of plea bargaining.

It is under these conditions that barristers will sometimes exert considerable pressure upon defendants to plead guilty in the hope of obtaining a lesser penalty for doing so. Consider the effect of this upon the hapless defendant: the more vehemently the arguments for pleading guilty are put to him, the more he will feel the need to rely upon his counsel to fight the case for him is correspondingly diminished and his "freedom of choice" in the matter hopelessly one-sided.

As a practitioner one soon learns

of this danger and there are ways of ensuring that this bargaining does not take place, usually by the Crown Court, to provide a fixed date for each case. In recent years, however, this has become increasingly difficult and some courts on the outskirts of London are wholly averse to the practice.

The reform of the "warned" list system will remove the conditions under which the abuses of plea bargaining occur, but more significantly, it will provide a far better service for both prosecution and defence, most particularly in the numerous cases contested from beginning to end.

Yours faithfully,
BRIAN RAYMOND,
1 Ruston Road, NW1,
October 11.

Value of works councils

From Councillor Sir Malby Crofton
Sir, Mr Wedgwood Benn, at the Labour Party Conference, spoke repetitiously about the need for "structural change" in the UK economy. No doubt Mr Benn had in mind, primarily, a change in the ownership of wealth-producing assets and the development of some modern form of syndicalism, perhaps in the direction of co-operatives (which so far have been anything but a success).

I wonder whether it has occurred to Mr Benn that the greatest need of all for structural change is in the trade union movement. In their present form I believe that the unions have become not only out-dated but, in general, an obstacle to economic progress. They are conservative and restrictive rather than innovative and energetic.

I believe that we need to see a devolution of power by the trade unions to individual works councils established by statute. Such councils would, I think, obviate the difficulties which arise from the fact that the trade union movement is tied both financially and politically to only one of the main parties. If Mr Benn really believes in industrial democracy, then surely he must accept that properly constituted works councils cannot co-exist with the existing trade union structure. Either such councils exercise most of the present functions allotted to themselves by the trade unions or they will be a mere pretence.

I hope that the Conservative

Party, instead of getting bogged down in the quagmire of the closed shop and other outmoded trade union problems, will do some constructive thinking of its own about the way in which works councils should be set up and operate in order to get both management and staff working together to produce better and more progressive attitudes towards economic change.

Yours faithfully,
MALBY CROFTON,
Town Hall,
Kensington, W8

British presence abroad

From Professor Dr Herbert Gräbes
Sir, The members of the Conference of Professors of English in the Federal Republic of Germany, representing 42 universities, at their annual meeting in Regensburg have charged me to communicate their dismay at the recommendations of the "Think Tank" concerning the abolition or reduction of the British Council.

We are unanimously convinced that cultural and educational relations play a vital and indispensable part in the harmonious relationship which exists between Britain and Germany. On the German side much emphasis is laid on cultural relations, which the Government of the Federal Republic of Germany has described as the third pillar of its foreign policy.

We believe from our collective academic experience that lively relations in this field require the guidance and promotion which the British Council provides. Our own collaborative association with the German Council leaves us in no doubt that it functions effectively and economically in the interest not only of British-German relations but also of Britain's cultural and moral standing in the world. This cannot easily be assessed in financial terms, but it is a precious asset to Britain and a surety to other nations.

We would remind those who will be deciding on the report's recommendations that they should have in the forefront of their minds Britain's long term interests, bound up as these must be with her relations with other countries.

Yours faithfully,
HERBERT GRÄBES, Chairman,
Conference of Professors of English
Philosophikum B, III,
Rathausstrasse 17,
6300 Giessen/Lahn,
October 7.

Party, instead of getting bogged down in the quagmire of the closed shop and other outmoded trade union problems, will do some constructive thinking of its own about the way in which works councils should be set up and operate in order to get both management and staff working together to produce better and more progressive attitudes towards economic change.

Yours faithfully,
MALBY CROFTON,
Town Hall,
Kensington, W8

Foreign Report

Will the West keep
the gains it
made at Helsinki?

Why were so many people wrong about the Helsinki conference? Now that its results are being reviewed at great length in Belgrade amid expressions of satisfaction in the West there seem to me some lessons to be learned from the extraordinary turnaround in attitudes since its inception. Few well-meaning diplomatic exercises can have started amid so much criticism and indifference. Now almost everyone sees it as a success for the West. This needs explaining if only to avoid similar failures of understanding in the future.

Some of the initial scepticism was justified because the idea of a European Security Conference was a Russian one designed largely to cement the political and territorial status quo in Europe and to exclude the Americans. This was unacceptable because it would have meant writing off Eastern Europe to Soviet hegemony and formally making permanent the division of Germany, which the Germans could not accept. Therefore the West rightly refused to go into negotiation until the Americans were included and until, among other things, it was linked with arms control and with the whole subject of the free movement of people and information.

The hope was that by negotiating on the situation in Europe it might be possible to lower the level of confrontation and thereby ameliorate the actual conditions of life in Europe. By starting from a degree of acceptance of the situation it might be possible to change it.

From this moment onwards it seemed to me obvious that the attempt was worth undertaking even though success was not guaranteed. To miss such an opportunity would have been to miss an opportunity to provide positive help to the people of Eastern Europe instead of merely lamenting their fate. Yet a number of attitudes remained so deeply ingrained that opposition continued. The main trouble at that stage was a profound lack of confidence. Many people could not believe that Western governments were capable of going into a negotiation of this sort and coming out on top. It was a Russian idea and the Russians were all ten feet tall. The West was supposedly weak and divided and prone to sell out the interests of other people as well as to appease the Russians.

Secondly it was assumed that the Western voters could not be trusted. As soon as they heard the word détente they would roll over and put their paws in the air and bring about the moral and military disarmament of the West. Thirdly some people distrusted the ability of Western democracies to survive the more open

interchange with communist societies which the negotiations envisaged. Curiously enough this distrust is greatest among those who proclaim themselves the most fervent champions of Western democracy.

The next problem was that a lot of people simply did not bother to find out what was happening in the negotiations or to read the text of the document which 35 nations signed in Helsinki in 1975. Had they done so they would have found their mistrust unjustified. The West turned out to be more united than anyone had expected. It negotiated very toughly indeed. It gave away nothing vital and gained a great deal. The neutrals and non-aligned also gave strong support to the essentials of the Western position, especially on human rights.

Thus the text that emerged did the very opposite of recognizing the right of Soviet control in Eastern Europe, or the permanence of frontiers. And I think for the first time it established the right of states to make the internal policies of other states a factor in security and cooperation. Far from recognizing the status quo it obliged governments to undertake very substantial efforts to change their internal and external policies. In many ways it is a Bill of Rights for the peoples of Eastern Europe. It came to be recognized as such only when it was read in Eastern Europe. Astonishingly few people in the West anticipated this by reading through East European eyes. The Russians knew they had lost on points long before the end of the negotiations. They showed this by losing interest in follow-up machinery, but they were in too deep to get out. Western opinion was slower.

Behind the specific misunderstandings lay a general one. There is a tendency to divide people into hawks and doves. The hawks are the tough realists who claim to know that Soviet policy is dictated by one single overriding aim, which is to do down the West. Therefore anything which is good for the Russians must be bad for us, and vice versa, except for a few limited agreements on arms control and crisis management. Hence Western policy should be largely directed towards doing down the Russians. The doves are depicted as believing that the Russians are wretchedly misunderstood peace-loving people who have had a nasty time in the past and who need only a few kind words to lay down their arms and bring universal brotherhood to the world. The dove spectrum also shades off into the category of fellow travellers and to the naïvely ignorant like Harold Wilson, who wanted people to forget the invasion of Czechoslovakia and defined détente as "live and let live". The trouble with these categories is that

they leave out a third which deserves more attention. I do not know whether there is a bird resembling an aggressive dove but that is roughly what is needed. This category sees détente not as another word for appeasement, or as an excuse for relaxing military or political vigilance but as a policy of active engagement, competition and tough negotiation designed to achieve real change. This involves a certain amount of give and take. It involves dealing with unpleasant governments. It involves risks. It also, of course, involves believing that something can actually be achieved in relations with the communist countries, that there really are bargains to be made, and that there are areas where interests converge.

This is where the Helsinki sceptics still have something to say. They can point out that the Russians and East Europeans are not doing a great deal to implement the agreement and in some respects have moved backwards, for instance by arresting groups in their countries which try to monitor the agreement. The answer to these doubts is the most incomplete and uncertain but it is not wholly lacking. Firstly, something has been achieved, which is better than nothing. Secondly neither the Soviet Union nor Eastern Europe are as monolithic and static as they sometimes seem. There are all sorts of different tendencies pushing and pulling behind the scenes, and a great many pressures among the peoples. The West is therefore dealing with a mobile situation and if it is mobile and dynamic itself it has a fair chance of influencing the direction of change. For this it needs willingness to engage itself actively in change and an understanding of the forces at work in Eastern Europe, many of which could be working in the same direction. Above all it needs confidence in itself.

If it gets stuck in rigid attitudes of confrontation and moral indignation it may feel virtuous and safe but it will not do much for anyone else, particularly in Eastern Europe. This is why the policy of the hawks is as unsatisfactory as that of the doves. It is a very good thing that the hawks were there to stiffen backbones, counteract the doves, and utter warnings against complacency. Their influence was often valuable. But it is a very good thing that their advice on the Helsinki conference was not taken. To have written a Bill of Rights for Eastern Europe and got the East Europeans to sign it will not transform the situation, but it was surely an attempt worth making.

Richard Davy



The frozen facts

Fish finger makers are racing to keep ahead of the shortage of cod. Landings are less than three quarters of last year's and the food industry knows that it must wean British families away from cod, which has been the most popular species in this country for generations.

Frozen food men know that if they stick to cod and simply raise prices in line with those of fish sold at ports they will simply lose customers to rival foods like broiler chicken and sausages. So early this year Findus, one of the largest frozen food companies in Britain, quietly introduced a new type of fish finger.

Findus was already selling one in a blue box with a boat on it, labelled "all cod fish fingers". The new fingers were sold in a blue box of the same size, at the same price, also with a boat on the front. It was labelled simply "fish fingers". The list of ingredients on the "all cod" packet began with "cod fillets". That on the new packet began with "white fish".

The cod shortage had forced the company to make a fish finger of cod mixed with other, often cheaper fish like codley and whiting. Findus defended its decision to sell the two types of finger in almost identical boxes at the same price by saying that there was little discernible difference between them and that the saving from using cheaper fish in the new finger was small.

It was nevertheless indisputable that the company was selling a different product at the same price while playing down the difference by using a very similar packet.

That is about to change. Findus is about to replace the finger labelled simply "fish finger" with a product sold under a new packet design at a lower price. It will be called a "prime" fish finger and there will be no danger of confusing its packet with that of the continuing "all cod" variety, which will still be blue with a boat on the front.

Findus explained that the new finger would be cheaper than its predecessor. Its introduction coincided with a price rise on the cod finger which has reached a recommended shop price of 58p for 10. The "prime" finger will sell at a recommended 51p.

At first it will be made of South American hake, a variety which when caught in this country and sold fresh usually fetches a much higher price than cod. Yet the new product is not quite as different as it seems. Although it will be sold in a packet the same size as that for the cod finger it will not weigh as much. While the "prime" packet will cost 7p less than the cod one, an ounce of "prime" will cost almost exactly the same as an ounce of cod. The difference will be only a fifth of a penny on each ounce.

Hugh Clayton

Power
on
the hoof

It is a mixture of nostalgia and sound economics, but Britain's breeds of heavy horses are booming as at no time since 1939. The Shires, Clydesdales, Percherons and Suffolks are meeting an upsurge of demand at home, and a positive scramble from overseas buyers for flashy harness teams.

The heavies have so much to offer. Even to walk into their stables is an antidote to stress: the steady stamp of ironshod hoofs on cobbled floors, the rustle of sweet clover hay pulled from racks and the all-pervading horse smell are an escape from engine roar and petrol fumes. Yet in the 1960s they all but died out. Smart teams hauling brewers' drays provided almost the only outlet for "quality" geldings. Now the advertising pull of smart turn-outs is realized by other firms whose accountants tell them that for short hauls there is no other form of transport as economical as the heavy horse.

On farms, working horses are returning. A new tractor depreciates in value from the time it is first used, whereas a young horse appreciates until he is five years old. A pair of garaged tractors merely gather rust and lose value during the winter months; two brood mares add more literal horse power at little extra cost.

High capital costs of modern tractors and equipment are the real justification for reintroducing horse transport. Though petrol may become scarce and dear it is unlikely to match the soaring cost of a medium tractor from little over £300 in the 1950s to over £4,000 today, and possibly double that in a few years' time.

East Yorkshire's College of Agriculture has reverted to a strong cob, Folly, and four-wheel rubies to assist their shepherd on his rounds. Mare and transport tie up no more than £500 worth of capital and cost only 55p per day. A tractor, even if used for two thirds of its time on other tasks, debits the sheep enterprise by 85p an hour. Though it may travel from field to field more quickly than Folly, it does not come to hand when called; while all the tools of a modern shepherd's trade are fitted snugly into the rubies' driving seat.

These facts are found in *Heavy Horses and Driving*, a new 98-page quarterly from Warrington, Cheshire, on October 15. Wherever the heavies are nowadays, a buzz of interest follows them. The Midlands Shire foal sale attracted well over 20 entries recently, and a throng of potential buyers that strain the large equestrian centre to its limits. A bid of 1950 guineas was insufficient to buy one day grey Shire filly foal only five months old.

In Japan, 1976 saw 102 ramblings for draft horse staged at four tracks. The 2.7 yards course includes a series of obstacles in the form of ramps, and drew over 540m betting tickets. The average racing horse there weighs 1 cwt, hauls a sledge weighing 6 cwt and is driven by a man averaging 11½ stone. No whips are used, and the average race time is one minute.

Horse pulling contests have long been popular in the United States. One state association alone has over 200 horse pullers, whose teams are hitched to a sledge-like structure to which ever more weight is added till the crucial 27½ distance cannot be covered. The last team in is the winner and big crowds are attracted what has become a popular spectator sport. In Britain pulling contests were staged the draft horse's heyday. Suffolk being particularly suitable through their long slung shoulders.

Harness decorations, horse-brasses, models from horse-nails—there seems no end to the side interests in the horses. Precise models of carts and wagons—which vary from district to district—now made in such profusion that a separate society has been formed. Exact replica plans are available, and so the old whips' skill are reincarnated long after he has gone.

The revival reiterates words of Sir Walter Giff who wrote so many books practical horsemanship: "breeding around the turn of century." Real worth in the flesh is never put out of mind by the changes in habits; when it ceases to be service in one respect it is to come into use in another. Fortunately, we see rather than fewer, of the big horses with their strength, listening to c and hoofs sounding in h

Edward H

This monument to our city-state and its deities may survive
the very seasons themselves.

Pericles. The Greatest Statesman of Ancient Athens 447 B.C.



For ten months of the year, and every year, countless thousands of people, from all corners of the modern world, set out on a pilgrimage to witness perhaps the most awe-inspiring monument in all the ancient world.

A stunning architectural achievement, the radiantly beautiful Parthenon on the Acropolis, was built wholly of marble and conceals structural refinements that continue to baffle the world. An unsymmetrical marvel that to us, mere humans, appears symmetrical.

The Acropolis dominates a modern Athens that is almost unique as a twentieth-century holiday experience. For here the visitor has very nearly the whole year from which to choose.

From February, time of sales and carnivals past the heat of July, and on through to November, Athens' magnetism never fades.

And Athens' off-season is a real discovery. A perfect climate. Beaches and the Aegean free from the maddening crowd. A multitude of winter festivals, and the nightly pleasures of the Opera and the Theatre.

A chance to meet the Greek at his most relaxed. And, most of all, a peace that can be experienced, but never described.

The unhurried traveller can truly explore, wherever his curiosity takes him.

The treasured moment to the mighty god of the sea, Poseidon's temple at Cape Sounion, marks the corner of the world that the sun chose for its most dramatic sunset.

Or the Saronic Isles, Aegina, Poros, Hydra and Spetsae. Each a perfect island paradise.

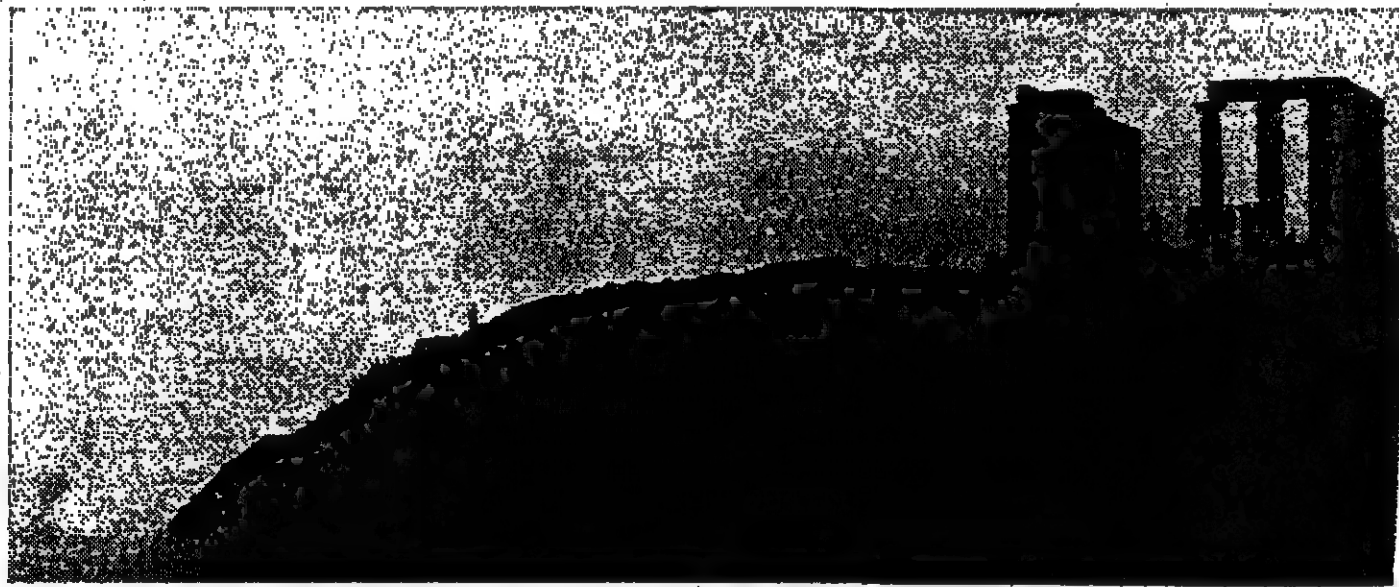
Or Evia, a massive peninsula-like island created, it would seem, solely for the sun-worshipper. Mile after mile of golden beaches, including that oasis in a supersonic world, the deserted cove.

Or further afield, the breathtaking splendour of Delphi, the ghostly quiet of Olympia, and even Marathon itself, a modest twenty-six miles and a few hundred yards away (as the athlete runs).

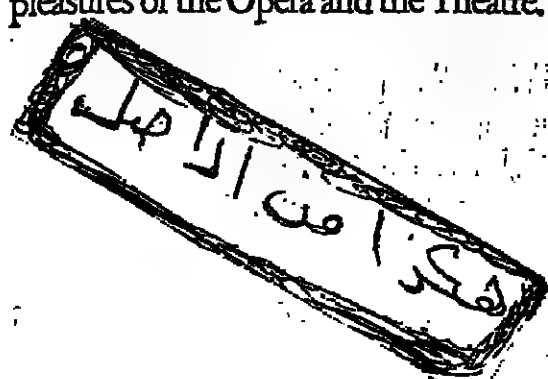
Athens, and in fact the whole of the Grecian World, has a welcome that stretches from the first day of spring to the last day of winter.

Just ask your travel agent or write to us and we'll send you all the information you need on the massive choice of high-season and off-season holidays and how to fly there on our national airline, Olympic Airways. Write to: The National Tourist Organisation of Greece, 195/197 Regent Street, London W1. Our number is 01-734 5997/8/9.

Who can say which month you will choose to begin your Grecian adventure? But one thing we are sure of. No month in Athens would be complete without a journey to the majestic monument that once filled Pericles' dreams.



Greece and the Hellenic Isles.
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Disappointing stagnation in output adds fuel to argument for cutting taxes

By David Blake

Economics Correspondent

In spite of all the hopes of an upturn, industrial production was stagnating in the three months up to the end of August.

New provisional figures from the Central Statistical Office show that the Index of Industrial Production stood at 102.7 at the end of August, up 0.2 per cent on the previous month.

Taking the three months to the end of August and comparing them with the three months to the end of May, there was a drop of 1.3 per cent, though this was almost entirely due to the fact that output in June was unusually depressed because of the Jubilee holiday.

Once this factor is disregarded, it seems likely that output levels were unchanged in the late summer from the low figures reached in the early spring as the recovery in industry started to falter.

For the three months to the end of August manufacturing industries, which account for about three quarters of all industrial production, were recorded as being 2.3 per cent below their level in the preceding quarter. But this figure, like the others, was distorted by the Jubilee.

Lack of demand would seem to be the main reason why production stays below the levels reached during the three-day week.

The sharpest recorded fall in

INDUSTRIAL OUTPUT

The following are the index numbers for industrial production in August, seasonally adjusted, released by the Central Statistical Office yesterday (1970=100)

	All Industries	Manufacturing
1976		
August	101.2	103.2
September	102.4	104.4
October	102.4	104.9
November	103.4	105.1
December	103.6	104.8
1977		
January	103.8	105.6
February	103.5	105.7
March	103.8	105.8
April	102.3	103.6
May	103.6	105.2
June	100.1	100.4
July	102.5	103.9
August	102.7	103.4

Percentage change latest three months on previous at annual rate -1.3 -2.3

Figures revised.

output over the three-month period was in investment goods industries, where a 2.6 per cent fall was recorded. Manufacturing investment has been running below the Government's hopes and the forecasts for the growth in investment this year have constantly been revised downwards.

In August the volume of output was running at a lower level than in 1970.

The recorded decline for intermediate goods was less at 1.7 per cent and that for consumer goods only 1.3 per cent. Retail sales showed some sign of recovery in July and August and this may have done something to persuade manufacturers to increase their output.

Within manufacturing industry, some sectors have fared noticeably worse than others. The miscellaneous "other manufacturing" sector fell by 3 per cent in the three months to August; engineering was down 2.4 per cent as was food, drink and tobacco.

Both chemicals and textiles did slightly better, metal manufacture increased slightly and there was a small upturn in the output of gas, electricity and water.

The picture of stagnation which emerges is bound to reinforce the arguments of those calling for a new stimulus to the economy through tax cuts to give people more spending power.

Although the Government expects that output will start to grow during the autumn, it is clear that by 1978 the expansionary force of world trade will be very weak as industrial countries all grow more slowly than they had expected.

What is bound to cause considerable worry is the idea that with every passing month of low industrial production the factories are becoming more outmoded and the effective capacity of the economy reduced.

Union split throws Leyland into new crisis

By R. W. Shakespeare

British Leyland's car manufacturing operations are once more on a knife-edge because of a deep split in union attitudes towards central bargaining.

The extent of the breach became clear yesterday when Transport and General Workers' Union representatives rejected a company plan for major reforms accepted by most other unions involved.

It seems almost inevitable that Leyland will have to report to the Government and the National Enterprise Board that it cannot agree with the unions on a strategy to meet conditions laid down for further state investment in Leyland Cars in its present form.

The implications of this are—as both the company's senior management and trade union leaders insisted publicly yesterday—"extremely serious". Leyland is undoubtedly facing its worst crisis to date.

A meeting of the national executive of the Confederation of Shipbuilding and Engineering Unions in York yesterday was asked for a commitment to begin in November next year, replacing the 58 separate pay negotiating units existing throughout Leyland's car manufacturing operations.

This structure is the cornerstone of a strategy to include a comprehensive rationalisation of wage claims, and the phased introduction of pay parity across all of the operations.

Leyland meanwhile has offered immediate wage increases to the 100,000 workers in Leyland Cars, in line with the Government's 10 per cent ceiling, plus bonus payments and the opportunity for even higher earnings through a "self-financing productivity deal".

Representatives of 17 of the 19 separate unions on the confederation executive were in favour of accepting the package but the powerful transport workers and the sheet metal workers rejected the plan.

TGWU leaders, acting on a policy decision of their shopfloor representatives in Leyland, would not commit the union to the introduction of the centralised bargaining that Leyland regards as central to its future labour relations strategy.

A meeting of all Leyland Cars senior shop stewards has been called for Tuesday. Although the confederation's executive will formally recommend acceptance of the company's proposals, it is clear that there will be solid opposition from the TGWU stewards.

At a press conference after yesterday's meeting, Mr Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, which supported the package, said: "Everyone is clear in their own minds about the seriousness of British Leyland's situation."

"I do not think that anyone doubts that the Government, NEB and the company have said what they mean and mean what they say. When we get to Tuesday's meeting we will have come to the crunch."

Mr Scanlon said he and other union leaders would make every effort to convince Tuesday's meeting of the seriousness of their decision.

Mr Grenville Hawley, national secretary of the TGWU's automotive group, said his union appreciated the seriousness of Leyland's position but had been unable to persuade rank-and-file members to commit themselves to group bargaining.

"I am not saying that group bargaining is ruled out for ever. I am saying that we believe there is a case for a gradual restructuring of the bargaining machinery," he said.

He said the union would have to consider its position after Tuesday's vote.

Mr Pat Lowry, personnel director of British Leyland, said later: "We are

obviously pleased that a recommendation will be made to Tuesday's meeting but we are disappointed that it will not be a unanimous one." He could see no possibility of the company's proposals being implemented without the transport workers' agreement.

He added: "We have been given the task by the Government and the National Enterprise Board of coming forward by the end of this month with positive proposals."

"If we have to report that we are unable to achieve agreement on this essential bargaining issue we have no doubt about what the consequences will be as far as Leyland Cars continuing in its present form is concerned."

"We do not believe, and we think it would be most unwise for anyone else to believe, that the Government and the NEB are bluffing."

Tory urges "surgery": Mr Michael Grylls, vice-chairman of the Conservative industry committee, said last night that the transport union's action seemed to sound the death knell not only of the Mini but of the company's structure.

The only solution was to go back on the Ryder strategy and perform "some serious surgery" on Leyland Cars.

Lucas projects this year will top £112m

By Clifford Webb

Lucas group is investing "in excess of £112m in the current financial year to modernise and expand its production facilities. It is also to introduce a complete new range of electrical components for the motor industry. More than 80 per cent will be spent in the United Kingdom."

But the bulk of the new business which has made this high level of investment necessary comes from Europe. Substantial contracts have been won to supply Volkswagen, Fiat, Peugeot, Berliet and Saviem.

Mr Bernard Scott, chairman, said in a speech at the group's annual general meeting in London yesterday: "This is a great opportunity for Lucas." There was already a heavy investment in CAV, the Lucas diesel injection company. New CAV plants were being built in South Carolina in the United States and in South Korea. Lucas was also pushing ahead across the whole automotive field. "In particular we are getting greater market penetration in Europe", he said.

Lucas had started work on a new plant for the growing motor industry and had bought a foundry in Belgium to supply Girling brake factories in Europe.

Mr Geoffrey Wilkinson, managing director of Lucas Electrical, said: "Over the past three years we have developed a complete new range of electrical components to replace our existing products."

"Rather than talk about the new jobs that will follow I would suggest that this is a wonderful opportunity for our existing labour force to earn a lot of extra money in production. On the other hand if we do not seize the opportunity presented to us by these new products there are plenty of competitors waiting to step into our shoes."

He conceded that the recent 11-week long strike at Lucas



Mr Bernard Scott, Lucas chairman, a push across the whole automotive field.

electrical factories had come at the worst possible time but it had not permanently damaged Lucas's reputation as one of the best suppliers in its field in Europe.

"I think this will be substantiated when we are in a position to reveal the new contracts that we have won with most of the major motor manufacturers in Europe", he added.

Lucas operates through 60 manufacturing and distributive companies throughout the world. In the last financial year two thirds of everything Lucas made ended up in the hands of overseas customers.

It was revealed yesterday that the group holds 25 per cent of the total European car electrical business although a substantial proportion is manufactured by its locally-based associates, Ducellier in France and Carello in Italy.

In Iran it has set up a joint venture with the Fardis family and the Industrial and Mining Development Bank of Iran.

Yen parity at all-time high against dollar as pound hits peak for year

By Caroline Atkinson

Japan's currency soared to an all-time high level against the dollar in extremely active trading on the London foreign exchanges yesterday. The yen touched 253.3 to the American dollar during the afternoon although it then fell back slightly to close at 254.75 yen.

This represents a drop of 2 yen in the value of the dollar from Wednesday's closing level. The dollar also dropped against most other currencies. It fell to DM2.2875, from DM2.2925 on Wednesday, and to 2.2625 Swiss francs from 2.30375.

Sterling climbed 15 points against the dollar to close at a new one-year high level of \$1.7638. However, forward rates for the pound were slightly weaker, although still showing a premium against dollars on all rates up to a year.

The Bank of England has allowed the pound to move a little more freely against the dollar recently while the latter has been so volatile.

The effective rate for the pound, measured against a basket of currencies, stayed at 62.4 all day yesterday. Intervention policy is aimed at stabilising the pound's effective rate.

The Canadian dollar tumbled further yesterday. It touched its lowest point against the American dollar in London, at 91.05 US cents, and then closed at 91.05 US cents.

However, the rate continued to drop in Toronto after the British exchanges had finished for the day.

The extreme weakness of the Canadian dollar is due to general gloom about the outlook for the economy—where unemployment and inflation are still high—and the concern of overseas investors about the political situation.

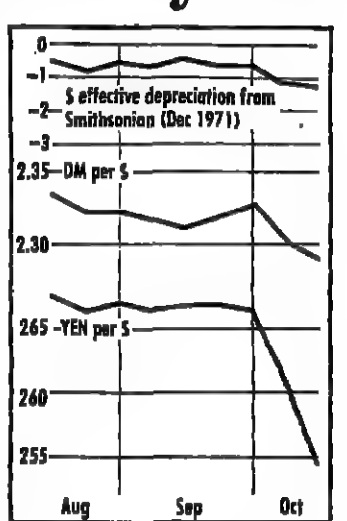
Narrowing interest rate differentials between Canada and the United States have also contributed to the decline in the Canadian dollar.

This has helped to bolster the effective exchange rate of the American dollar. As the chart shows, its recent drop has been particularly marked against the Japanese yen.

Dealers believe that the Japanese have been staying out of the market, for the most part, and allowing the yen to go up. It has now become the prize target of pressure when the dollar weakens, with money switching first to yen and then into the other strong currencies.

Thus the Japanese currency has appreciated by 15 per cent in effective terms so far this year, with a rise of more than 10 per cent in the last two weeks alone.

The Deutsche mark is still below its best of the year, when it climbed to DM2.47 against the dollar, and the West German Federal Bank seems determined to keep it there by its way. It



has been intervening fairly heavily and successfully to hold down the rate throughout the past two weeks.

United States money supply: America's narrowly-defined money supply M1 soared by a new record \$4,500m in the statement issued October 5, the New York Federal Reserve Bank said. The broader-based M2 rose by \$6,500m.

Bankers said they expected the Fed to increase its discount rate from 5½ per cent to 6 per cent and to increase the market rate for Fed funds

Mr Carter opposes steel protectionism

From Frank Vogt

US Economics Correspondent

Washington, Oct 13

President Carter declared today that the United States has been lax in enforcing anti-dumping laws with regard to steel imports. He promised to improve enforcement, but at the same time said he is opposed to protectionist measures to restrain imports.

The President said: "It is an erroneous thing to present to the American people that there is a simplistic fix, a painless solution to the steel industry problem and that is to erect trade barriers around our country and not let foreign steel come into our nation."

His remarks came after leading steel manufacturers and trade unionists went to the White House in an attempt to persuade the President to impose tough restrictions on steel imports and provide substantial subsidies to the industry to finance expansion and modernisation.

They went in the knowledge that Mr Carter is unconvinced about the merits of their case, but they were armed with an unbinding Senate resolution, passed yesterday, which called for immediate action to help them.

President Carter stated at his press conference today that he would make proposals to the industry, the Congress and the foreign nations exporting steel to the United States, as soon as he had received a full report on the situation from a special White House task force.

He stressed, however, that the steel industry's problems were common to the rest of the world and not just to the United States, and this was inevitable at a time when world economic growth was rising only at a sluggish pace.

Voluntary export restraints to the United States by West German and Japanese producers represented "a simplistic approach" which did not offer an adequate solution to the domestic industry's problems.

The President said today that curbs on imports were "excessively artificial" and that the real problems seemed to centre on the industry's profitability and, more generally, on the fact that total world demand for steel products was depressed.

Despite such comments it does seem increasingly certain that the President will at least support the retention of quotas on imported specialty steel products.

Govan wage pact within 10 pc policy

Govan shipyard workers yesterday agreed the first in the British shipbuilding industry to accept a pay offer within the Government's 10 per cent guidelines.

But their shop stewards' convenor, Mr James Airlie, made it clear after the meeting of 3,500 manual workers in a Govan cinema that the offer was accepted reluctantly.

It will mean an extra £7 to £8 a week for the hourly paid workers at the yards.

The staff and technical sections which make up the remaining labour force of 5,500 also accepted the 10 per cent offer at their respective meetings yesterday. They come under a different wages structure.

Mr Airlie said: "Basically the shop stewards committee recommended acceptance of the offer, and this was carried overwhelmingly. It in no way implies acceptance of the Government's pay guidelines."

"We made the recommendation in the light of the state of shipbuilding throughout the country and Govan in particular where, as far as we are concerned, the order book is very thin. We were not in any bargaining position to challenge the offer."

Mr Iain Farnham, Govan Shipbuilders' industrial relations director, said the settlement demonstrated the workers' sound commonsense and realism, and their continuing determination to make Govan succeed.

Tax cuts likely to benefit the lower paid

Continued from page 1

There are signs that the Government is more concerned about the outcome of the Ford negotiations than about those involving the local authority manual workers. That is because it is now felt that the latter group can be induced to accept rises that do not infringe the Government's target figure of a tenth, despite the big claim that is expected.

To begin with, the Government has made clear that it would rather risk the consequences of a breakdown in the negotiations than give way to the first group of public-sector workers that confronts it. Such determination on the part of ministers must weigh heavily with the leaders of the three local authority manual workers' unions.

Then, with the imposition of cash limits, any pay deal that was above the level assumed for wages when the cash limits were set would lead either to cuts in manpower or to reductions in services, or both. It is known that cash limits for this financial year assume an average increase in wages of about 5 to 6 per cent.

For those reasons ministers believe that the local authority manual workers are resigned to achieving a settlement rather below what is likely to be obtained by some workers in the private sector.

It is likely, however, that Mr Healey will try to make a deal of the kind envisaged more acceptable to the manual workers by including in his proposed measures tax cuts that directly benefit low-paid workers.

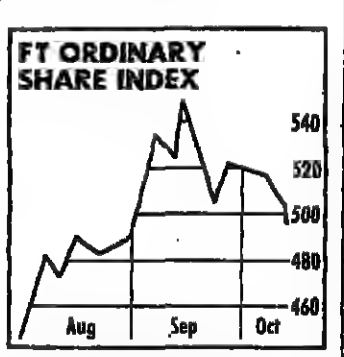
Shares index below 500 because of pay worries

The FT ordinary share index dipped below 500 for the first time since September 1 on the London stock market.

Increasing worries about the current level of wage demands brought persistent selling and the index closed 8.5 lower at 495.7.

In the gilt-edged market the prospect of another cut in M.L.R. helped short sales to gain three-eighths, but longer maturities reversed early rises to close with losses of a quarter.

Wall Street down: New York stock prices closed sharply lower for the third straight session yesterday with the Dow Jones industrial average down 5.81 to 818.17. The index had tested gains of 15 pts to 813.73 in the two previous sessions.



Analysts continued to attribute heavy selling to worry about forecasts of further increases in interest rates. They look for rises soon in the key short-term federal fund rate as well as the prime rate. —AP-Dow Jones.

How the markets moved

Rises
EPN Hides 'A' 4p to 46p
Furness With 6p to 34p
Johnson-Rich 11p to 31p
Municipal 5p to 150p

Falls
Akroyd & Sm 13p to 250p
De La Rue 10p to 630p
Geevor Tin 10p to 500p
Hambro Life 10p to 230p
Hunting 10p to 280p
Libanon 12p to 45p
Martin-Baker 3p to 55p
Nat Carbot 3p to 51p
Prov Fin 7p to 107p
Rank 10p to 252p

Equities lost more ground. Gilt-edged securities lost early gains. Dollar premium 88.87 per cent (effective rate 27.12 per cent). Sterling gained 15 pts to \$1.7638. The effective exchange rate index was at 62.4.

Gold lost \$0.25 an ounce to \$157.875. SDR-£ was 1.17032 on Thursday, while SDR-£ was 0.663448. Commodities: Reuters' index was at 1,491.9 (previous 1,498.1). Reports, pages 22 and 23.

On other pages

Business appointments 22
Appointments vacant 25, 27
Wall Street 23
Bank Base Rates Table 22

THE POUND

Bank Buys Bank Sells
Australia \$ 1.62 1.57
Austria Sch 30.25 28.25
Belgium Fr 65.00 62.00
Canada \$ 1.37 1.32
Denmark Kr 11.12 10.72
Finland Mk 7.49 7.24
France Fr 8.83 8.51
Germany DM 4.20 4.00
Greece Dr 62.25 62.25
Hong Kong \$ 8.40 7.95
Italy Lit 1575.00 1570.00
Japan Yen 43.00 44.00
Netherlands Gld 4.47 4.25
Norway Kr 9.96 9.58
Portugal Esc 75.50 65.50
Spain Pes 162.00 145.50
Sweden Kr 8.75 8.40
Switzerland Fr 4.25 4.15
US \$ 1.76 1.71
Yugoslavia Dnr 2.80 34.50

Rates for "small denomination bank notes only" are indicated by asterisk. All rates are for London currency business.

Skytrain nets £48,295

Laker Airways said last night that its Skytrain service to and from New York had made £48,295 profit during the first 17 days in that it carried 3,939 passengers had been carried.

W.G. ALLEN

Group Results

	Year to 31st March 1977	Year to 31st March 1976
Turnover	£'000 6,277	£'000 5,687
Profit before Taxation	627	559
Earnings per ordinary share before deduction of extraordinary items	10.13p	8.59p
Dividend per ordinary share	2.81p	2.53p

Additional points made by the Chairman:

★ 1976/77 has been a year of progress for the Group. This progress has been spectacular but a sound financial steps have been taken to prepare the foundations for future growth.

★ Once again the Board is recommending the maximum dividend which it is permitted to pay. A capitalisation issue of one new ordinary share for every ten existing ordinary shares is also recommended.

★ Although Group sales for the first three months of the current year have amounted to £1.5 million less, compared with £1.2 million last year, the lack of any real recovery in economic activity must make one cautious about the outlook for the year as a whole.

Manufacturers of Fabrications and Engineering Products, Industrial and Domestic Boilers, Air Heating Equipment, Pallet Transfer Systems, Conveyors, Lifts and Mechanical Handling Equipment, Control Systems and Panels.

For copies of the full Annual Report please apply to: The Registrar, W. G. Allen & Sons (Tipton) Ltd., P.O. Box 4, Tipton, West Midlands, DY4 9EX.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

INDUSTRIAL AND COMMERCIAL FINANCE CORPORATION LIMITED

(Incorporated in England under the Companies Act 1929)

A wholly owned subsidiary of Finance for Industry Limited

Application has been made to the Council of The Stock Exchange for admission to the Official List of £10,000,000 10½% Unsecured Loan Stock 1986 ("the 1986 Stock"), £10,000,000 11½% Unsecured Loan Stock 1990 ("the 1990 Stock") and £10,000,000 12½% Unsecured Loan Stock 1994 ("the 1994 Stock") of Industrial and Commercial Finance Corporation Limited.

ISSUE OF

£2,500,000 of the 1986 Stock at 95 per cent.

£2,500,000 of the 1988 Stock at 96 per cent.

£2,500,000 of the 1990 Stock at 98 per cent.

payable as to 90 per cent on acceptance and as to the balance on or before 16th December 1977.

In accordance with the requirements of The Stock Exchange £250,000 of the 1986 Stock, £250,000 of the 1988 Stock and £250,000 of the 1990 Stock is available in the market on the date of publication of this advertisement.

It is intended to make further issues of the Stocks on such terms and in such amounts as circumstances demand, an announcement being made on the occasion of each issue.

The Stocks will be constituted by a Trust Deed to be entered into between the Company, FINANCE FOR INDUSTRY LIMITED and FINANCE CORPORATION FOR INDUSTRY LIMITED as Guarantors and Williams & Glyn's Trust Company Limited as Trustees.

Particulars of the Stocks are available in the statistical services of Extel Statistical Services Limited and copies may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 28th October 1977 from:

FINANCE FOR INDUSTRY LIMITED
31, Abchurch Lane
London EC4A 3DF

HOARE GOVETT LIMITED
Atlas House
1 King Street
London EC2V 8DU.

mes reports

Nube seeing lawyers in pay arbitration clash

By Christopher Thomas
Labour Reporter

Inter-union relations in the English clearing banks plunged new depths yesterday in a continuing feud over a pay deal due on July 1.

The National Union of Bank Employees (Nube) is taking legal advice after claiming it was excluded from talks about the date of a pay arbitration hearing and about the choice of arbitrator for the employees.

This clash, the latest in a long-running series between Nube and the staff associations, came at a meeting of the Banking Staff Council. Mr. Leif Mills, Nube general secretary, said he was told without prior consultation that there would be an arbitration hearing on October 26.

The reasons for Nube's apparent exclusion from preliminary discussions were its decision to withdraw from the joint bargaining machinery with the staff associations and its disavowal from their claim for a 10 per cent pay rise from August 1.

Nube wants a phase two deal from July 1, the normal anniversary date, giving a maximum of £4 a week.

Disagreement over the pay claim precipitated Nube's decision to pull out of the joint bargaining structure. Although the staff associations' joint membership is smaller overall than Nube's, they have a voting majority in the English clearing banks.

Nube may seek a High Court injunction to stop the first arbitration meeting going ahead. It was indicated yesterday that the employees' nominees on the arbitration panel might be named today. The union claimed that constitutionally matters pending in the joint bargaining machinery were still relevant to all sides despite the declared intention of one party to withdraw. It is on that point that legal advice is being sought.

After a series of acrimonious exchanges, the Nube representatives walked out of the meeting. Mr. Edwards, director of the Federation of London

Clearing Bank Employers, was advised by Mr. Mills in writing last night of the union's intention to take solicitors' advice.

Mr. Mills said: "We do not want to stay the proceedings. But I get the clear impression that the banks and the staff associations are conspiring together to get an arbitration date at which they hope we will not be present, and to get an employees' nominee for arbitration who may be totally unacceptable to us."

What they are doing is clearly unconstitutional. They are trying to exclude us completely. I emphasize that it is not my desire to delay the arbitration proceedings, but we cannot stand by and see this flagrant abuse of procedure."

Mr. Wilfred Aspinall, general secretary of the Confederation of Bank Staff Associations, the umbrella organization for the staff associations of Lloyds, Barclays and National Westminster, said last night: "We are proceeding according to the constitution."



Mr. Mills: Their action is abuse of procedure.

In brief

Phillips oil find near Magnus field

Phillips Petroleum confirmed yesterday that it had made a new oil find in the northern North Sea about 12 miles west of British Petroleum's Magnus field.

The discovery flowed 4,760 barrels of oil a day through a 1-inch choke. The company said plans for further drilling would be decided after evaluating results of the well.

An exploration group led by Zapata Exploration said yesterday that the fourth well drilled on block 21/2—adjacent to the Burchard field—had confirmed a gas discovery made in the second well.

The fourth well produced 8.4 million cu ft of gas a day, plus 955 barrels of condensate. In the second well the gas flow was 18.5 million cu ft a day and 1,990 barrels of condensate. A separate structure on the block has flowed oil at a rate of 5,540 barrels a day.

Rolls engines for BA

Rolls-Royce yesterday announced that British Airways had placed orders worth more than £12m for installed and spare RB 211 engines for a new 747 airliner recently ordered from Boeing. The new airliner will be the seventh British Airways 747 to use the RB 211 engine.

Truck sales speed up

Commercial vehicle sales in the first nine months of the year totalled 183,481—a rise of 5.8 per cent on the same period of 1976, according to latest figures from the Society of Motor Manufacturers and Traders.

British Leyland's truck and van sales in the first nine months were 43,971, against 47,178 a year earlier, while Ford's rose from 50,173 to 51,706. Imports, with Volkswagen the clear leader, totalled 27,538—a rise of more than 5,000.

Training fund surplus

More than £600,000 of the surplus funds of the Printing and Publishing Industry Training Board is expected to be returned to the industry. Representatives of the British Printing Industries Federation and the PPITB have agreed on a basis for refunding the money, subject to approval of the full board and the Manpower Services Commission.

The surplus has arisen because of a slump in business, resulting in fewer apprentices being taken on.

£50m contracts for PO

The Post Office announced yesterday that its parcels service had won £50m worth of contracts for 1977-78 with seven big mail order companies—GUS, Littlewoods, Grattan, Freemans, Empire Stores, Myers, and J. D. Williams. The companies said that parcels under contract amounted to 54 per cent of all packages carried by the Post Office.

Industrial films

Under-used and under-valued medium

It is an irony of the industrial film scene that a medium in which Britain excels in comparison with the rest of the world is under-used and under-valued in this country. Abroad they may not match us in film-making, but one suspects that they rate the medium more realistically.

At this year's International Industrial Film Festival in West Berlin, where again we won more awards than any other country, the Council of European Industrial Federations, which organizes the festival (the CBI is the British member), gave two additional prizes for films "best explaining the role of business and industry in society".

This is a purpose at least as desirable in Britain as elsewhere in Europe.

And the International Quorum of Motion Picture Producers also gave a new award, this one for the film best bringing out an international spirit of cooperation and understanding.

It is worth remarking that the festival is a film festival: the CEIP has not yet accepted as entries the "new" video visual media—video tape, tape/slide and the rest.

Our own festival, from which the 15 British entries to the international are selected, now

Amendments holding up aid Bill to be dropped Mr Carter clears way for World Bank to accept Congress funds

From Frank Vogl
Washington, Oct 13

President Carter has acted in a most unusual manner in order to avoid a major financial crisis for the World Bank and the numerous international foreign assistance grants it administers. He has given specific written pledges to the Congress on how American directors of these organizations will vote on a range of sensitive issues.

Congress now appears willing to move ahead and appropriate about \$2,000m (about £1,176m) of funds to the World Bank and the numerous regional development banks. It appears willing to remove several amendments to the appropriations legislation that the Mr. Robert McNamara, the World Bank's president, has stated would have so restricted the bank's activities that it would have had no choice other than to reject the American money.

\$15,000m tax cuts foreshadowed

From Our United States
Economist Correspondent
Washington, Oct 13

The Carter Administration is now actively considering a tax cut to stimulate the nation's economy. The President explained that his administration would probably decide on whether a cut was needed and what form it should take by next January or early February.

Mr. Carter told a press conference here today that a tax cut would form a part of the comprehensive tax reform programme he hopes to announce soon. The timing of the cut will depend on economic developments in the next few months.

The President's tax reform programme already appears to be in deep trouble and the cause of considerable tension between the Treasury Depart-

ment and the White House. Mr. Carter had hoped to present the plan last month, but when this became impossible, the first part of this month.

He is dissatisfied, however, with the fairly modest proposals made by the Treasury and has ordered it to prepare a more dramatic reform package.

Indicators suggest that the reform plan will include tax cuts of \$15,000m (about £8,620m) to \$20,000m. Until recently it was thought these cuts would not take effect until the whole package had been approved by Congress, probably late next year.

But White House fears of a further slowdown in the economy are leading to plans for swifter congressional action early next year on the tax-cutting aspects of the measure. Members of Congress are

The recipient of the President's letter is Congressman Clarence Long, the chairman of the foreign operations subcommittee of the House Appropriations Committee, who stated that to his recollection no President had ever written a letter of this type to a member of the Congress.

Congressman Long said the effect of the President's action would be to prevent the passage of a United States law that sets out policies for the international financial institutions which would be illegal under the charters of these institutions.

It would also result in the United States Administration using its full influence to prevent these institutions making loans for the countries and commodities as already outlined in the proposed congressional amendments.

urging the White House to delay the announcement of the tax programme until after the energy tax measures already before them have been approved.

The demand on the Treasury to toughen the tax reform proposals and the pressure from Congress for delays in presenting the programme are making it increasingly probable that the President will not announce his programme until late November.

Meanwhile, Mr. Carter is facing mounting pressure from liberal members of Congress to announce clear targets for reducing unemployment.

The President said today he hoped within a few days to announce support for legislation establishing a set, acceptable unemployment target for the nation's economy.

S American shipping laws 'odious'

A leading British shipowner publicly attacked the protectionist shipping policies of Brazil and other South American countries in a speech given in Rio de Janeiro yesterday.

Mr. James Payne, deputy chairman of Blue Star Line and chairman of CENSA—the Council of the European and Japanese National Shipowners Association—described the shipping laws of South American countries as "odious".

He was speaking at the Senate Conference, which is being held in conjunction with Rio de Janeiro's first international shipping exhibition.

Mr. Payne said he did not consider that in the long term Brazil's past and present policies would stand the country, its shipowners or its shippers in very good stead for the future.

He added: "Bilateral division of seaborne trade of any kind between countries is nothing more than flag discrimination, of which the worst sort is unilateralism."

Of the shipping laws of Brazil and other South American countries, he said: "There is so much I dislike that it would take me a long time to list all the laws of South American countries which are odious in international shipping."

Up to now Europe had been quiescent, he said. But he added: "The mood in Europe and Japan is changing. This change of mood reflects government attitudes. No longer will our governments stand by and watch the growth of protectionism in international shipping."

"You can only twist the tail of the lion so far and then he starts to retaliate. I think the message is clear."

"The 'old' world has woken up to the fact that we do now live in an interdependent world economy and that if we all want to prosper, all our actions must be governed by the international rule of the comity of nations."

Transkei to test credibility with a long-term loan

From Ray Kennedy
Johannesburg, Oct 13

South Africa's independent Bantustan, Transkei, is to test its financial and political credibility by going to the South African capital market for a long-term loan of 16m rand (£10.6m).

Transkei was declared self-ruling last November, but its independence is recognized only by South Africa.

Previous financial institutions will not underwrite the Transkei issue, which is being managed by Central Merchant Bank. The Government's view is that Transkei is a foreign country and it would be constitutionally improper to guarantee the loans of another government.

It is, in fact, too, that South Africa hopes the loan issue will demonstrate the reality of Transkei independence.

Whether the capital market will take this view is questionable. A market source said: "It is all very well saying how peaceful the changes are in Transkei now, but when you are looking for loans for 20 years or so, who is to say what might happen?"

It is expected the coupon rate will be fixed at around 12.8 per cent, compared with an East (Electricity Supply Commission) issue which opened today at 11.8 per cent all-in for 24-year stock.

Greek bank wins \$40m credit

From Peter Norman
Bonn, Oct 13

Greece's National Investment Bank for Industrial Development (NIBID) is obtaining \$40m (about £22.4m) credit as a result of a novel co-financing deal arranged with the International Financial Corporation, a subsidiary of the World Bank, and an international banking consortium headed by Compagnie Financière de la Deutsche Bank of Luxembourg.

Under the terms of the credit agreement, which was signed in Frankfurt yesterday, the Greek bank will get a \$5m 10-year credit from the IFC at a fixed interest rate.

The remaining \$35m will be supplied by the banking consortium for seven years at a floating rate.

The construction of the NIBID credit is thought to break new ground.

LETTERS TO THE EDITOR

Central role of design in industry

From The Director of the Design Council

Sir, Lord Brown's article (October 10) puts in a nutshell one of the key issues in Britain's long-term industrial future. For what will decide whether or not we can sustain our new economic well-being, once North Sea oil begins to run out, is our ability to manufacture products which will equal or surpass in design those of our competitors overseas.

It is possibly the multifaceted nature of design which seems to obscure its central role in manufacturing industry. The fact is that almost all the characteristics of a product which influence the potential customer's decision to buy or not to buy are determined by designers of one kind or another. The way the product performs, its reliability and safety, how easy it is to maintain, whether or not it is convenient to use, its appearance, how efficiently it can be produced, how competitively it can be priced—these are all matters of direct concern to the designer or the design team.

But designers cannot operate in a vacuum, and many of the uncompetitive designs we produce in Britain result more from bad direction by management than from inadequate design skills—which is why Lord Brown's insistence on design as a top management responsibility is of such fundamental importance, and why his article should be required reading in every British boardroom.

Yours faithfully,
KEITH GRANT,
The Design Centre,
28 Haymarket,
London SW1V 4SU,
October 12.

From The Wolfson Professor of Design Management

Sir, Lord Brown's article (October 10) on the organizational aspects of product design is of tremendous importance, and from my new chair

whether it fulfils its practical function well.

Yours etc.,
BRIAN SMITH,
Department of Design Management,
Royal College of Art,
Kensington Gore,
London SW7 2BU,
October 10.

There are three aspects to the marketability of any product:

whether it fulfils its practical function well,

whether it looks attractive,

whether it sells well.

For instance, in the case of something like an electric cooker, the question of fulling its functional function is foremost in importance, but makes a personal point, I bought a cooker, new on market, in an expensive part where there was no indication on the oven to show when temperature setting had been reached. I informed the manufacturer, they apologized, the appropriate modification was made.

As to the second point, models which once too attractive and new, have so far years need to be ultra-appealing only slightly, in or to sell well.

No one experienced in buying either consumer durables or items of less lasting value wants to buy exactly the same article as before. Improvements are expected and a main amount of novelty adds marketability.

One of the great disadvantages about certain product British manufacture, I think the fact that they undoubt sell well and have sold well years but they portray an fashioned image of Britain for all very well for the moment, but to take high sales of these sort goods, but to capture new markets and win the admiration of competitors in other countries, companies with a reputation must be brave enough to change radically.

Individual designers produce items of great value, individual silvers and jewellers, for instance, produce one small detail which makes object difficult to use. In words, in making any observations about design large-scale industry, design can't win, they must fit some sort of organization.

Yours faithfully,
GILVAY ADAMSON,
Consultant sociologist,
19 Chester Row,
London SW1W 9JE,
October 10.

From Mrs Gilray Adamson

Sir, As a consumer rather than as a designer I would like to add to what Wilfred Brown wrote in his article (Management, October 10).

There are three aspects to the marketability of any product:

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whether it sells well.

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Yours faithfully,
GILVAY ADAMSON,
Consultant sociologist,
19 Chester Row,
London SW1W 9JE,
October 10.

From Mr J. D. Liddell-King

Sir, Mr. P. N. O'Donnell points to the fact published day (October 10), that it is to assist the disgruntled motorist must be independent should be supported.

The motorist would not form such a body did not exist, ready made, and all providing the simulacrum what is needed. Well, please know the needs and profit of the motorist both historical and, thanks to their petro and their legal department today, they should see the in this context.

One only wonders why are so modestly standing I am.

Yours obedient servant,
J. D. LIDDELL-KING,
34 Wake Road,
Harpenden,
Hertfordshire, AL5 5BS.

From Mr J. D. Liddell-King

Sir, In a letter about "very precise references" Mr. Griffith-Jones writes (September 27) that the Post Office National Giro has referred to him a number of references to a telephone bill from the part used by people who wish to pay through the National Giro. So the first part of the reference gives a PO Telephone reference (which includes his phone number, 54250056747, 2080001P00014815).

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in design management I offer every possible assistance in his call for more widespread discussions.

The extraordinary thing is that industry has taken so long to realize that the what-to-make decisions are even more vital than the how-to-make and how-to-sell decisions, and ought therefore to get the highest priority, in practice it is so often the reverse.

The other obstacle to industry's acceptance of the designer's contribution is misunderstanding of the difference between designer and based engineering design. Whilst at best they work closely together, each has a distinctive role, and it is that of the industrial designer which has been most neglected in British products. He has the disadvantage of being badly named (although industrial design seems now to be accepted around the world), and he comes from a basic art education, which is suspect to many in industry.

I hope that we in this college, with a high proportion of our students preparing for industry in a most practical fashion, can help the design cause forward. The Design Council and several other institutions, professional and educational, are already much involved. All strength to Lord Brown's efforts.

Yours etc.,
BRIAN SMITH,
Department of Design Management,
Royal College of Art,
Kensington Gore,
London SW7 2BU,
October 10.

From Mrs Gilray Adamson

Sir, As a consumer rather than as a designer I would like to add to what Wilfred Brown wrote in his article (Management, October 10).

There are three aspects to the marketability of any product:

whether it fulfils its practical function well,

whether it looks attractive,

whether it sells well.

For instance, in the case of something like an electric cooker, the question of fulling its functional function is foremost in importance, but makes a personal point, I bought a cooker, new on market, in an expensive part where there was no indication on the oven to show when temperature setting had been reached. I informed the manufacturer, they apologized, the appropriate modification was made.

As to the second point, models which once too attractive and new, have so far years need to be ultra-appealing only slightly, in or to sell well.

No one experienced in buying either consumer durables or items of less lasting value wants to buy exactly the same article as before. Improvements are expected and a main amount of novelty adds marketability.

One of the great disadvantages about certain product British manufacture, I think the fact that they undoubt sell well and have sold well years but they portray an fashioned image of Britain for all very well for the moment, but to take high sales of these sort goods, but to capture new markets and win the admiration of competitors in other countries, companies with a reputation must be brave enough to change radically.

Individual designers produce items of great value, individual silvers and jewellers, for instance, produce one small detail which makes object difficult to use. In words, in making any observations about design large-scale industry, design can't win, they must fit some sort of organization.

Yours faithfully,
GILVAY ADAMSON,
Consultant sociologist,
19 Chester Row,
London SW1W 9JE,
October 10.

From Mr J. D. Liddell-King

Sir, Mr. P. N. O'Donnell points to the fact published day (October 10), that it is to assist the disgruntled motorist must be independent should be supported.

The motorist would not form such a body did not exist, ready made, and all providing the simulacrum what is needed. Well, please know the needs and profit of the motorist both historical and, thanks to their petro and their legal department today, they should see the in this context.

One only wonders why are so modestly standing I am.

Yours obedient servant,
J. D. LIDDELL-KING,
34 Wake Road,
Harpenden,
Hertfordshire, AL5 5BS.

From Mr J. D. Liddell-King

Sir, In a letter about "very precise references" Mr. Griffith-Jones writes (September 27) that the Post Office National Giro has referred to him a number of references to a telephone bill from the part used by people who wish to pay through the National Giro. So the first part of the reference gives a PO Telephone reference (which includes his phone number, 54250056747, 2080001P00014815).

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BY THE FINANCIAL EDITOR

Taking the lid off personal borrowing

Banking figures have yet to show it in detail, but it is becoming clear that the past two months have seen a remarkable take-off in personal sector borrowing from the banks. Latest clearing bank figures showed an underlying upturn in total lending in the month to September 21 of between £50m and £100m and it seems this could have been almost completely accounted for by personal lending.

Access, for example, had its second best month ever in August, falling only narrowly short of last December's levels although its borrowers are still paying it back very quickly, which doesn't please a credit card operator. Since falling interest rates are knocking big dents in bank profitability, the clearers are, of course, happy to put on new loans wherever they can, for although recent figures have shown an upturn the banking system is still significantly underlent. Even so, the banks are still nominally operating under guidelines from the Bank of England which require them to hold back on their personal lending, so it is a little embarrassing that such business has been growing so rapidly.

The implications are twofold. If personal loans account for a big proportion of the recent rise in lending, it follows that the demand from manufacturing industry has flattened off after its previous increase. This should not be wholly surprising. The second quarter recession in retail sales was more severe than generally foreseen, so that stores were left overstocked. The subsequent bout of de-stocking has evidently been feeding back to industry during the third quarter.

But if the personal sector's growing borrowing demands—coinciding with tax debates and lower mortgage payments—have taken the form of rising retail sales, there should be room for a further bout of stocking up. Retail figures for July and August did, indeed, show a significant increase, although they are still not back up to the volume levels of the second-half of last year.

The stock market has for some time been expecting a rise in retail sales as the year drew on and the earlier fall in real living standards are reversed, and it may be that a new mood of confidence has already sparked off this process rather earlier than anticipated. As yet, however, it is too early to say. Debenhams, for instance, reported yesterday that it has seen little improvement in trade during the past six weeks, and there is some doubt about whether the September retail figures will be as good as those of the preceding months when the sales were on and the tourists were here in force.

Debenhams Out of favour

In fact, doubts about Debenhams' relentless urge for volume growth and its consequent cash hunger have left it a noticeable laggard in the most recent sector revival. And yesterday's news of a 21 per cent pre-tax improvement to £3.2m in the first-half provided a further trigger for selling to leave the shares 4p lower at 101p.

Sales in the opening period rose 23 per

significant pick-up in spending could dramatically transform results.

With its high operational and financial gearing—borrowings are still around 50 per cent of shareholders funds after the May rights issue—the group could move into top gear very quickly indeed.

Pre-tax profits this year could still reach £25m so we are talking about a p/e ratio of around 11 while a yield of 8 per cent is well above the sector average. Next year if a spending revival really comes through Debenhams could see dramatic recovery. Meanwhile its relative performance should look even better against its rivals if tourism falls away next summer.

Despite the enthusiastic reception for Sotheby's this summer, the flotation has done nothing to stimulate any lasting interest in fine art auctioneers. Christie's International's first-half figures won't help to convince sceptical investors that profits can keep moving smoothly upwards without a hitch.

Christie's pre-tax profits were around a tenth below stockmarket hopes at £192m, showing only a 12.7 per cent gain over the same period last year despite the 31.5 per cent increase in turnover.

Appearances are a little deceptive however, and the results have been dragged down by the costs of setting up in New York to achieve the sort of geographical spread that Sotheby's already enjoys.

Even so, the United States operation has increased the value of first-half sales by £6m to £35m compared with £25m last time so it looks as though currency factors are beginning to take some of the gloss of Geneva in sterling terms while London too may start to lose some of its attractions to foreign buyers if the pound continues strong.

The autumn sales season has apparently got off to a good start but Christie's will be without the £282,000 exchange bonus last year so profits may not get above £4m. While that may narrow the gap with Sotheby's in earnings terms the yield, despite yesterday's 4p drop to 69p, of 7.1 per cent is still a couple of points adrift.

Crane Fruehauf Outside the Panel's jurisdiction

The problems of General Principle four of the Takeover Code and the use of legal action to frustrate a "bona fide offer" have arisen again with action by Crane Fruehauf in the United States to prevent Fruehauf Corporation succeeding with its current 51p per share cash offer which had its first closing date yesterday.

Crane Fruehauf's action must compare with Herbert Morris's attempts earlier this year to use American anti-trust laws to prevent the success of a bid from Babcock & Wilcox. The Herbert Morris's action and that in the English courts by Dunford & Elliott is an attempt to prevent a takeover by fellow Sheffield steelmaker, Johnson & Firth Brown, led to a request by the Takeover Panel that companies contemplating legal action should first discuss it with the Panel. This was not done by Crane.

In fact Crane Fruehauf's legal action looks like a delaying tactic. Fruehauf Corporation which already owns 33 per cent of Crane Fruehauf and has close links with it is unlikely to have succeeded with its offer so far. The market price of 64p down 2p yesterday is still 3p above the offer. An extension is therefore likely, but an increased offer could bring a speedy conclusion.

The temporary order preventing Fruehauf from purchasing or acquiring any shares of Crane given by a United States district court appears to depend on a ruling given by an administrative order of the Federal Trade Commission preventing Fruehauf from acquiring various companies including those involved in manufacturing or distributing truck trailers. The order, according to Fruehauf's lawyers has yet to be ratified by the full FTC. It is not effective until ratified and cannot be retroactive. It thus constitutes a temporary restraining order to be lifted when the Court meets next Thursday.

Meanwhile the Panel is again caught between the Code and the right of companies to legal remedies and Crane should have good reason for trying to prevent shareholders making up their own minds about the merits of the offer.

Warnings that the world is fast running into a serious energy crisis are now almost an obligatory part of any public speech made by top executives in the energy industries and their political counterparts in government.

Their message is clear: some time in the 1980s demand for crude oil will exceed available supplies unless the industrialized nations have been prudent enough to build up adequate alternatives, principally coal and nuclear power, and have started to wean industry and power stations away from their natural preference for oil products.

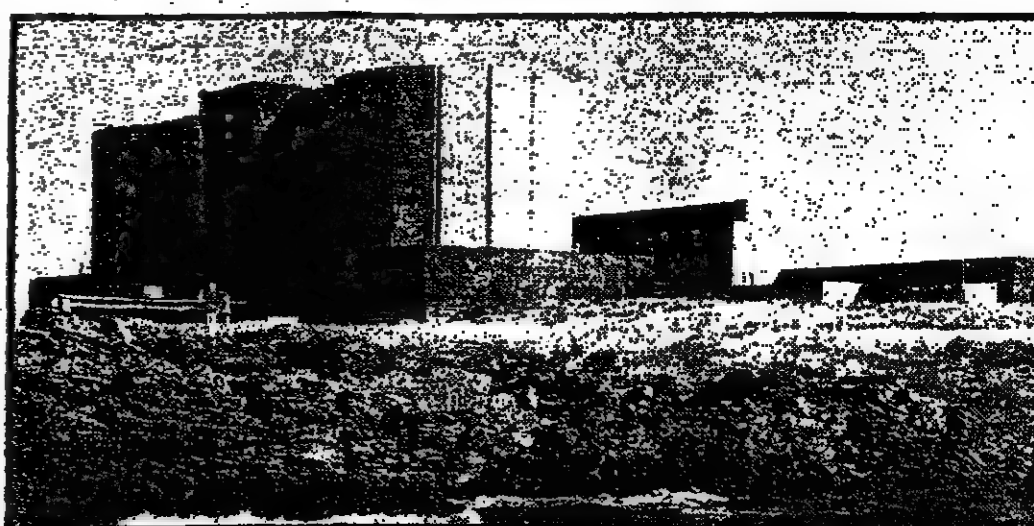
One thing often absent from these public pronouncements is positive commitment to new energy developments that will lessen the burden on oil.

All the major industrialized countries, through their national policies and by membership of bodies such as the International Energy Agency and the European Community, have begun the laborious task of devising means of using less oil, and potentially unpopular measures that will be needed to implement them.

Unfortunately the seven to 15-year lead time from approving a new energy project to gaining the first power, does not permit politicians from any country the slow build-up and preparation that the announcement of unpopular measures often needs.

If the most pessimistic forecasts are correct, and oil runs into short supply as early as 1981-82, then only coal or nuclear projects started within the next six months have any possibility of making a contribution to the energy supply. These are estimates for the oil shortage occurring from the mid 1980s to 1990 which provide

Putting more energy into oil saving



Wylfa nuclear power station Anglesey: International Energy Agency recommends "a steady expansion programme".

A little more breathing space. Averting an energy crisis is more than just ploughing money into coal mines and coal and nuclear powered electricity generation. Attention must be paid to research and development into solar, tidal and other forms of renewable energy.

Wasteful use of energy must also be eliminated through incentives to conserve power and a realistic pricing system.

Last week the 19 members of the IEA adopted 12 energy policy principles to help to speed the change from an oil based energy economy to one using all forms of energy available as efficiently as possible.

Their initial target is to hold imports of oil in 1985 to 26m million barrels a day. Without

the 12 energy principles the IEA calculates that demand for imports from its members alone could reach 32 million to 33 million barrels a day by 1985, with additional demand coming from non-IEA members.

Although members of the Organization of Petroleum Exporting Countries (Opec) have sufficient reserves to meet this demand it is doubtful whether they are willing to install the additional production capacity to do so.

Opec members are suffering from the worldwide glut that is containing their oil revenues and making it difficult for them to raise prices. There seems every chance that the next ministerial meeting in Venezuela, just before Christmas, will be forced to extend the freeze on prices into 1978.

At the root of Opec's problems is the weak state of the world economy producing very

low growth in energy demand, which is more than absorbed by new oil from the North Sea, Alaska, and Mexico. The net result is that Opec, and not the new oil producing regions, has borne the brunt of the glut. Wells in the Middle East are shut-in and discounts are now available on many grades of crude.

But is a situation that will last only as long as the new oil sources can absorb the growth in energy demand. Within a year or 18 months Opec will once again be needed to increase its output and there is every sign that it will allow production to move forward to a total of 33 million barrels a day.

But once this level is reached, probably in the early 1980s, a halt to new oil development is likely and the competition for available supplies will intensify forcing up prices quickly.

There is scepticism among IEA members about the ability of the United States to meet its energy targets. President Carter has put forward a programme that will reduce oil imports from almost nine million barrels a day to seven million barrels a day by 1985 and he wants Americans to make voluntary savings equivalent to a further million barrels a day.

Without this ambitious programme it is likely that United States imports might have risen to 12 million barrels daily by the middle of the next decade. IEA members have seen America attempt to tackle the energy problem before, but slip back in the face of political difficulties.

There is general agreement that coal and nuclear energy are the only real immediate alternatives to oil. But not all the IEA members want to advance along the nuclear route. Six members, Denmark, Holland, New Zealand, Norway, Spain and Sweden have expressed reservations about nuclear power and the agency was forced to water down the policy principle on this subject.

Instead of agreeing to "a strong and rapid expansion of nuclear generating capacity", the members adopted a principle calling "for steady expansion of nuclear generating capacity".

"There is still a lot of disagreement over the future course of international energy policy. The IEA's a very long way from the perfect body for discussing the future but its the only one that has the remotest chance of persuading nations that everyone must reduce their oil imports", said one IEA observer.

Roger Vielvoyle

Kenneth Owen

Birth of the immortal systems machine

As the conventional computer as we know it begins to decline (though computing as a whole remains a high-growth industry), the unconventional micro-computer is rising into the orbit of those concerned with business development.

The changing pattern from large central computers to more flexible distributed systems was outlined in last Friday's article. In looking to the future, the microcomputer offers the prospect of distributing computing power still further; it promises cheaper computing but threatens to undermine many established concepts in usage and supply.

At the heart of the microcomputer is the microprocessor—a complex integrated circuit carried on a tiny chip of silicon. Connect a few such microprocessors together and you have the processing power and memory of a computer.

For real-life business data-processing you also need a terminal for input and output, more memory capacity (on a flexible magnetic disc, for example) possibly a printer unit, and so on.

But the small size of the microcomputer itself, though remarkable, is not the main point; the surrounding hardware (the peripherals) sets the size of a usable system. The main point is reliability, as with other microelectronic products; and low cost, stemming from mass production.

Clearly the surrounding hardware—and the all-important software—sets the price as well as the size of the total system. Even so, the cost of the basic microprocessor is so dramatically low that completely new approaches to handling an organization's data-processing needs are now possible.

A quite powerful microprocessor costs only \$5, about \$3, at present, and each year the amount of logic and/or

memory that can be packed on to the chip doubles, such is the pace of the technology advance. But, one expert suggests, it costs £5,000 to use that £3 processor.

Hardware costs in general are coming down to fall in microprocessor-type circuits are incorporated in all types of peripheral units. This places a heavy emphasis on software as the key elements in implementing successful systems and is producing a significant change in attitudes to the respective roles of software and hardware.

New techniques are being developed to assist users of microprocessors to write the programs that enable the machines to do their jobs. And in a novel demonstration at the British Computer Society's recent Datafair conference, Computer Analysts & Programmers (CAP) unveiled what they called an "immortal systems" machine which brings about the changing hardware/software relationship.

A single program, written in a micro-version of the Cobol computer language, was running on a Motorola microcomputer. It was unprogrammed and an Intel micro was substituted; the program continued to run as before. The Intel in turn was removed and replaced by a Zilog unit, which again continued the processing.

The demonstration underlined in effect a reversal of roles between computer software and hardware. Traditionally the hardware was the "fixed" or permanent part of a computer system and software was supposedly flexible. Now the software could be the fixed part, with the computer as a replaceable component.

This could lead, among other things, to future large-scale distributed computing systems using different manufacturers' hardware in different locations.

Though the many implications

of programming the micros are still being explored, in the design of multi-micro systems the programming can be easier simply because each micro can be programmed separately to perform a part of the overall task.

The micros have also produced a blurring of the boundary between hardware and software. This is true in all three main categories of microprocessor use—in consumer products and simple control systems as well as in business data-processing.

As the suppliers of the new microprocessors are typically semiconductor component companies rather than computer makers, the traditional industry pattern is changing. "Systems houses" have grown up which buy in the micro components and other hardware, write the software and design and market the complete systems.

Looking ahead, Mr Alex

d'Agapeyeff, of CAP, anticipates a new supply framework for parts and systems as the volume of small business computing systems reaches hundreds of thousands a year. National parts distributors will supply local parts shops, systems houses, maintenance companies and bureaux who in turn will supply the end-user.

National systems retailers will supply local systems shops, software houses and bureaux as well as the end-user.

In the United States, suppliers of small business computing systems have already begun to acquire retail outlets with this concept in mind, and the same thing is being planned in Britain.

In use, micros are for ordinary people, not data-processing experts. Software packages have been developed which enable clerical staff to use ordinary English when typing in information or inquiries;

and, increasingly, commercial data-processing is being combined with text processing.

The most dramatic aspect of microcomputers, according to a leading industry source, is that they are part of a sustained development in microelectronics, proceeding at a pace that defies belief, which will within a decade outmode all equipment previously bought for data-processing.

And this pace is being set not by the traditional computer companies but by the electronic component manufacturers and the new systems vendors.

These are some of the things that are happening as the unconventional microcomputer moves into the conventional world of business data-processing. No revolution yet, but a very powerful new tool.

The author is Technology Correspondent of The Times.

Business Diary: Young again • Collecting his cards

anyone who thought that commerce was dead, Michael Young had proved himself a well-meaning, energetic, and successful entrepreneur. He is now the chairman of the National Consumer Council, which will have to link again.

For yesterday Young introduced the latest in his long line of ventures—the Mutual Card Company.

Young, who steps down at the NCC on Monday, will also be writing a biography of one of the most influential figures in the history of the consumer movement, Dorothy E. Brown.

Young's present initiative is the enterprising spirit in a new venture, the British Co-operative movement, he continues, has been conservative in its approach, compared with the enterprising spirit in abroad. The new centre designed to help Britain to catch up.

Where this might lead is anyone's guess, but so does Young's. He is a man who has visited Sweden and saw that country's motorist co-operative, at work.

NK has 360 filling and service stations about the country, its members, each station has a "self-service" service bay, where motorists can do their own refuelling at much lower cost than a commercial garage would charge. Young has raised only £100,000 from charitable trusts, well-wishers—to invest in

LCCC as it is known to collectors, is a scale of hopes to be operating from its new premises early next year. At present, the large house they are moving to is being strengthened to accommodate the company's stock of 400 million cards, weighing about 50 tons.

Laker has decided not to entrust the removal job to others. He is hiring a lorry and will supervise the move personally.

Jim Gregory tends to be known more as chairman of Queens Park Rangers Football Club than one of the bigger operators in the motor trade. He is majority shareholder in Millport, Isle of Man, a holding company whose interests include James Young—the Rolls-Royce body builders, Moons Motors, Raymond W Motors and, since May, Blue Star Garages.

Now he and accountant Brian Henson, a Millport director who has been with Gregory since 1965, are branching out in the credit card business. The old Blue Star card operation is being refurbished into a separate subsidiary company known as All Star Petrol Card. The aim is to establish a new card system for petrol and oil payments designed to meet new inland Revenue practice over business users' expenses.

The major single competitor in the field is the mutual card introduced last spring by Barclaycard. All Star already has 150 outlets signed up including the 60 Blue Star outlets, and talks are being held in the next few days with three major regional petrol chains that could add about another 150 outlets.

Henson puts a ceiling of 5,000 outlets on the scale of operation compared with Barclaycard's 9,000 and the 7,000 of Access. There are 37,000 or so petrol outlets.

The marketing basis of the scheme is that some two-thirds of all petrol sales are to business users, typically company representatives and executives running company cars. But if companies reimburse individuals for fuel expenses, these have to be returned to the Revenue as benefits paid to the employee in kind.

"Our card, like Barclaycard's commercial card, avoids all this cumbersome procedure because direct payment is made by the company," explained Henson. But All Star can't be seen to be offering extended credit, so there are built-in penalties against that.

Business Diary reader Isobel Cassidy has pointed out what she feels is the "Alice in Wonderland" contradiction in the scheme's story about British Leyland placing another big equipment contract with the Germans.

The Germany company KUKA won the £15m contract partly because of British industry's poor delivery record, yet KUKA is planning to sub-contract a large amount of the order in the United Kingdom.

Any help towards understanding the field of "Alice in Wonderland" would be appreciated, she said. So we asked Frank Luk, chairman of KUKA UK, to explain further.

"I was reported correctly as saying that 'some' British companies don't stick to their deliveries", he said yesterday.

"although any such generalization is bound to cast doubt unfairly."

"KUKA will hand-pick the British companies they use, basing their judgment on their own experience. Therefore, they know those companies will deliver on time."

In recent months "sackfuls of mail" have been arriving at KUKA's Manchester from anxious customers unable to obtain the company's breakfast cereal All Bran, much-admired as a laxative.

The bad news—as Business Diary was told yesterday—is that the present shortage, which has led to supplies to shops being rationed, will continue until spring of next year. Then, it is hoped, a new Kellogg's plant in Wrexham will start production.

Increased output at Manchester has not matched demand, which Kellogg's believe has more than doubled in the past three years, as the public has become educated to the need for roughage in the diet.

For the time being, bran bought at pet shops—where it is cheaper than at health food shops—would seem to be a good buy.

Bob Clayton, technical director of GEC, is billed to give the Institution of Electrical Engineers' Faraday lecture in Coventry next Wednesday. It's called "Let there be light", like the well-known introduction song at the Tory annual conference. The lecture is said to be technical and about how light was invented. On the other hand, Clayton is known as an active Tory.

Debenhams Limited

Unaudited results for the 28 weeks to 13th August, 1977.

	28 weeks to 13th August 1977	28 weeks to 14th August 1976	52 weeks to 29th January 1977
Sales	£000's 214,067	£000's 174,269	£000's 398,203
Less: VAT	11,168	9,809	22,653
Sales excluding VAT	202,899	164,460	375,550
Trading Profit before Interest	7,708	6,402	26,066
Less: Interest	4,641	3,825	7,765
Trading Profit	3,067	2,577	18,311
Other Items	127	60	2,134
Profit before Taxation	3,194	2,637	20,445
Taxation	1,261	847	3,085
Profit after Taxation	1,933	1,790	17,360
Preference Dividends	43	43	86
Profit attributable to Ordinary Shareholders	1,890	1,747	17,274

Note: The charge for taxation represents advance corporation tax on dividends and tax on overseas income; no provision has been made for deferred taxation. The interim figures for the previous year have been recalculated on this basis.

The trading profit of the Group for the 28 weeks to 13th August, 1977 amounted to £3,067,000, an increase of 19 per cent on the figure for the same period in 1976. Sales excluding VAT rose by 23.4 per cent.

As indicated at the time of the rights issue, it is the Board's intention, in the absence of unforeseen circumstances, to recommend an increase of 10 per cent in dividends for the current financial year over the gross equivalent of the dividends for the financial year ended 29th January, 1977. The Directors have accordingly declared an interim dividend of 1.59052p per share (last

year 1.424p) amounting to £2,125,495 (last year £1,427,224) payable on 2nd January, 1978, to shareholders on the register on 25th November, 1977. This dividend, with the related tax credit, represents a gross dividend of 2.40988p per share.

The results of the first 28 weeks should not be regarded as indicating the prospects for the full year since such a high proportion of the sales and profits of the Group are attributable to trading in December and January.

6 Forward hairpins are permitted on two previous days

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ST. LOUIS
FEB. 1941
P. 100

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Anti-inflation package fails to produce the goods

by Nigel Wilson

Hopes of an early recovery for the sluggish Australian economy are fading and the Government has begun to demonstrate signs of panic.

Elected two years ago "to clear up the economic mess" the administration in Canberra—inheritors of a political philosophy which produced the greatest growth in the country's history—is finding the questions too large for its answers.

The August budget, presented with determination and earnestness by the Treasurer, Mr. Phillip Lynch, emphasised that the Fraser Government's policies would extend the gains made in the previous year.

Cynics were heard to scoff and even the most charitable raised their eyebrows. Mr. Lynch was referring to a package introduced in 1976 designed to bring inflation to single figures and curb the rise in unemployment.

Palpably that design has not been fulfilled. Inflation is still running at more than 10 per cent, and the number of people without jobs is about 20 per cent more than a year ago.

As serious—probably more so in the longer term—the level of output in the economy has been declining for most of the year. Industrial activity—the key to the Government's attempts to stimulate the economy—fell in the second quarter.

The budget predicts an economic growth rate of 4 per cent in the year to June 30, 1978, compared with the actual 1976-77 deficit of \$2,740m.

By its inflation with curbing the size of the deficit the Government has cut off one avenue of alleviating unemployment—public works, and the consequent flow through to the private sector. It is not a policy which has won total support.

Traditional business supporters are still seeking more encouragement and the share market has remained unimpressed. The construction industry has

which appears to be languished for more than two years and latest figures suggest it may soon touch the depths of inactivity reached in 1974.

Riding uneasily with its concern about the domestic deficit is the Government's sudden espousal of external borrowings to curb the nervousness about the value of the dollar. In 1976 it was concerned at the effects of capital inflow on the rate of growth in the money supply, so strict controls were imposed. Those are now off.

This policy reversal—it was an abhorrence of heavy overseas borrowings which prompted some of Mr. Fraser's most trenchant criticisms of his predecessor—highlights the chopping and changing of Government policies which some might say runs ahead of judicious flexibility. In the past year policy changes multiplied as the Government flitted from one concept of economic management to another.

The present favourite is a central bank intervention to bring down interest rates by shaving yields on Commonwealth bonds. At the same time the Government is borrowing overseas to avoid another devaluation.

In August, speculation helped to push Australia's international reserves down \$322m to slightly more than \$2,700m—sufficient to cover only three months' imports.

The August outflow was despite a 1.5 per cent devaluation at the beginning of the month, revaluation of gold assets to market prices (a boost of \$635m) and a carefully engineered lobby on the media suggesting the Government planned large borrowings on the Euro-dollar market.

Analysis of the capital movements shows that some \$120m was private capital outflow, reflecting fears of speculation, mainly large companies, of another devaluation.

The Government must also be concerned that the current account deficit is running at an annual rate of \$3,500m compared with less than \$2,000m for the whole of 1976-77.

Capital movements are restricting the Government's chances of reducing interest

rates. Mr. Fraser reportedly wants the long-term bond rate cut by a full 1 per cent to about 9.45 per cent. That he has been warned by advisers, could finance a run on the dollar. Another devaluation, rather than just so extension of the present dirty float of the dollar, would harm the Government's plans.

Capital inflow is needed. Mining investment is to be encouraged, but even this policy has been muffled.

Shell Australia, a subsidiary of Shell Transport and Trading, has government approval for multi-million purchases into existing coalmines. But the CRA group—Australian offshoot of Rio Tinto-Zinc—were held up in moves to take over, in concert with an Australian partner, another coalmine.

On the north-west shelf gasfields the Government has made significant concessions to get a \$3,000m project under way. The concessional taxation benefits will flow through to other developments.

Yet the beneficial effects have been harmed by the Government's reference to the possibility of a "resources tax". It will not apply to the shelf or existing coalmines but could affect oil producers and uranium miners.

Much as North Sea oil has been seen five years ago as the answer to Britain's economic difficulties, the Government is treating development of uranium resources as an economic plum pudding stuffed with silver.

Unlike North Sea oil, the decision to mine uranium could divide the Australian community as much as Vietnam in the 1960s.

Mining will still produce much of Australia's wealth for the foreseeable future but prolonged economic recession in Japan is hitting hard at earlier forecasts of mining sector investment. A recent study at Melbourne University estimates that more than \$7,000m will be pumped into the mining industry in capital spending between now and mid-1981. Yet there will not be a significant return on this huge investment until the middle to late years of next decade.

Agriculture is faltering, partly because of drought in southern Australia but mainly because of growing supplies in consumer countries of the goods Australia produces. Beef sales are well down, wheat is threatened by big foreign stockpiles.

The Government has shown little evidence that it is planning to cope with economic matters rather than reacting when they arise.

The budget must be considered a cautious approach to the job of cutting inflation with minimum economic disturbance. Yet basic to its success is improved overseas confidence in the Australian dollar and further reduction in the rate of inflation.

Wages are the key to the inflation rate, the Government believes, and it wants them kept down so that inflation does not get above the present level.

The Government is putting the short-term future of the economy in the hands of the wage fixing system which could prove explosive because real wages have fallen in the latest year.

Remuneration among economists about the handling of the economy is most evident on manufacturing industry policies. Manufacturing employs about 22 per cent of the workforce but produces only about 20 per cent of exports, in sharp contrast to mining and agriculture which produce 80 per cent of exports with only 8 per cent of the work force.

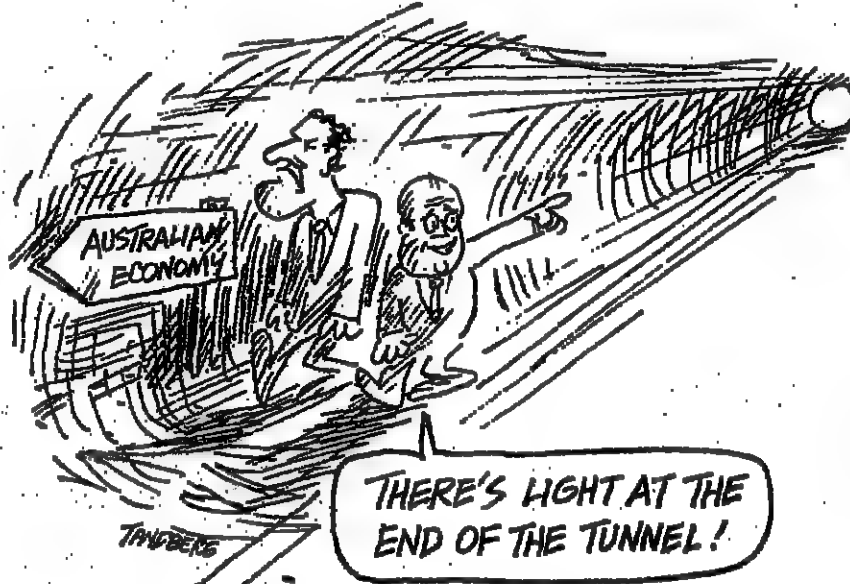
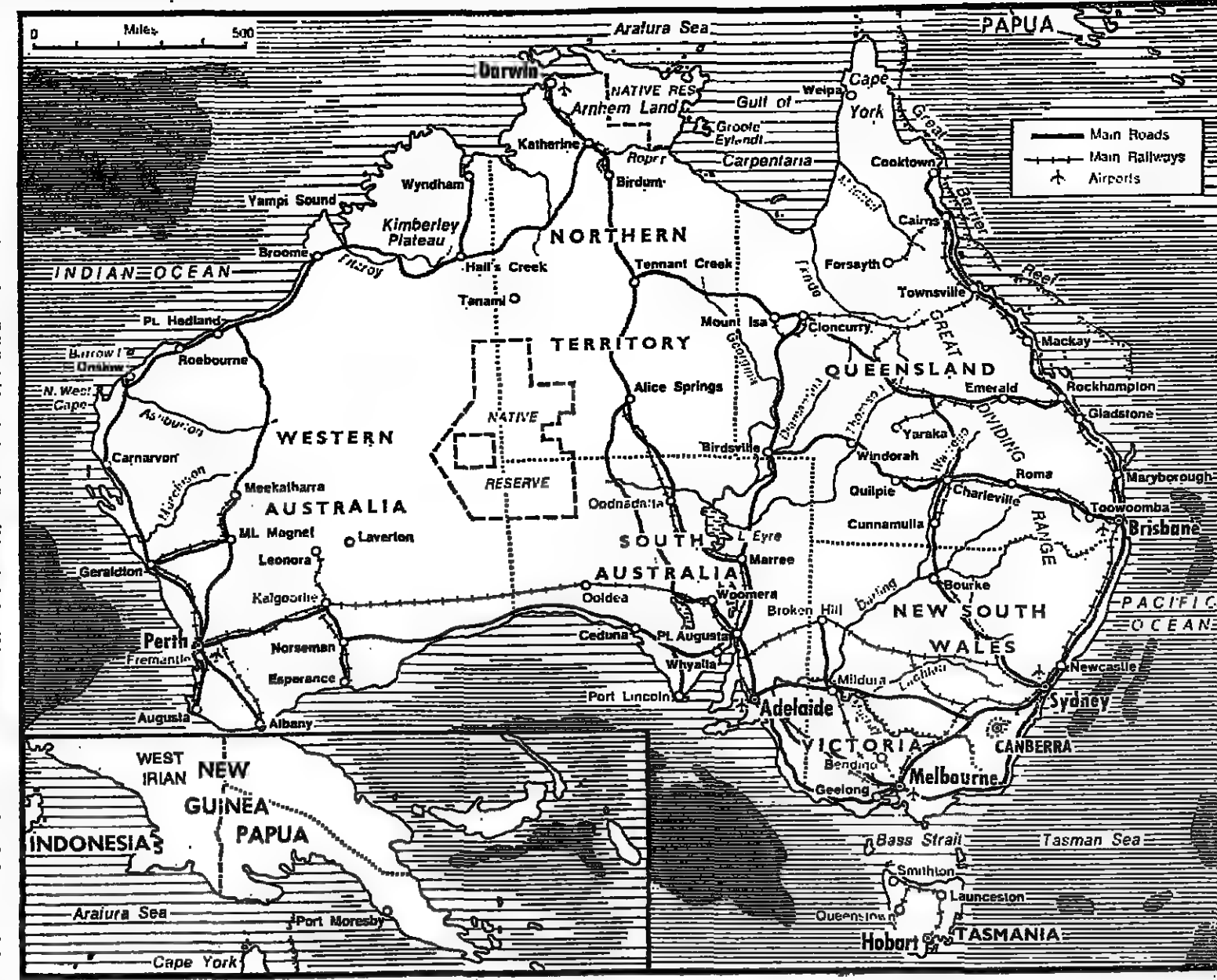
Manufacturing is heavily protected, particularly in labour-intensive industries. Canberra is running into diplomatic difficulties as it attempts to maintain those inefficient industries, particularly from the ASEAN countries, which want to expand their exports to Australia.

and the rich sugar industry is trembling because of a protracted contract dispute with Japan.

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Environmental sanctions delay uranium exploitation

by Tony Thomas

The Fraser Government's approval of uranium mining will profoundly influence the medium-term supply outlook for the Western world.

Australia has about 20 per cent of the world's low-cost uranium reserves. 376,000 short tonnes out of 1,900,000 short tonnes. Apart from 11,757 short tonnes in sales contracted before 1973, Australia's reserves are uncommitted.

In contrast to most countries, the exploration effort for uranium has been winding down in recent years. The Labour Government policy was that all exploration in the Northern Territory on new ground was to be done by the Australian Atomic Energy Commission, though National private explorers could complete their programme.

The incoming Liberal-Country Party Coalition Government last year reversed the policy, but did not grant new exploration licences in the Alligator river province, which includes the biggest deposits.

The main exploration effort was by Ranger Uranium Mines and Pancontinental, but even they had no incentive to do more than isolate non-productive country for relinquishment under their licence provisions.

Their giant uranium deposits are still open in various directions. Ranger's number one ore body (50,000 tonnes) is only partly proved and delineation of the number three ore body (50,000 tonnes) is described as far from completed. On the whole 32 sq mile lease, there are dozens of interesting anomalies which Ranger has had little incentive to test.

None of this speculation would be worth recording, except that Mr Douglas Anthony, Deputy Prime Minister and Minister for National Resources and Overseas Trade, suggests that the uranium resources in the Alligator river region "could be as much as five to 10 times the resources identified to date". Taxed about his source for a statement, he attributed it to his department and the Atomic Energy Commission.

The Government's policy on further exploration is unclear. In the eastern half of the national park to be declared in the south Alligator region soon, exploration is banned "for the time being". (The park excludes

the mining leases for the major mines.) In the other half, exploration requires the "express approval of the Commonwealth authorities involved"—a phrase that says nothing about the Government's attitude.

In the Arnhem Land Aboriginal Reserve, which adjoins the east border of the Alligator river province, exploration is subject only to normal requirements and Aboriginal consent, and at least one consortium, which includes Pancontinental, is already at work. Arnhem Land is highly prospective country and includes the Nabarlek deposit of Queensland Mines, with an average grade of 47lb to the short tonne.

In one important respect, the Fraser Government departed from the proposals of the Fox environmental report on the Ranger deposit. Mr Justice Fox recommended that the Government impose a sequence of development on the various mines, particularly so that the Aboriginal community would not be hit by the combined workforces of two projects at once. The judge also thought the output of the various mines should be phased into the world market gradually.

The Fraser Government has opted against such political control of the industry. Instead, the Prime Minister argues that the need for environmental and other

procedural sanctions for all mines will ensure that sequential development will take place in any event. Only the Ranger mine has cleared the environmental hurdle (subject to many technical modifications insisted on by the judge and the Government). No clear indication can be obtained on the date for mining the other deposits, because no one is sure how long the Government will take to provide the necessary clearances.

Mr Tony Grey, Pancontinental chairman, says his company has submitted an environmental impact statement. From the time a departmental answer is obtained and any modifications implemented, the construction phase would take three years.

Mr George Mackay, managing director of EZ Industries, which is a partner in the Ranger mine, says its three-year construction programme can start as soon as modifications to meet the environmental criteria are incorporated in plans.

The Nabarlek mine of Queensland Mines (reserves 10,300 short tonnes) is well advanced with its environmental impact statement. The mine is a small, uncomplicated project.

The Koongarra mine of the Canadian-owned Noranda group (reserves 44,000 short tonnes) has environmental



The Mary Kathleen uranium mine in the Queensland outback.

difficulties, because it is south in Western Australia, and is building a pilot plant to evaluate the ore. The main constraint there is not environmental or Aboriginal matters, but market prospects in the early 1980s. Markets permitting, it starts in 1982 is possible.

Recent papers by the federal Parliamentary Legislative Research Service provide "high" and "low" estimates of Australian uranium output in 1985 at 19,300 tonnes and 12,250 tonnes. Corresponding esti-

mates for 1982 are 10,510 tonnes and 9,260 tonnes. In the second Fox report, the assumptions were made that construction on the first project starts in 1977-78 and production and sales start in 1981-82.

Exports would be 1,500 tonnes of uranium with output rising by 1,500 tonnes a year to a maximum of 21,000 tonnes in 1994-95. It was assumed that production continued at 21,000 tonnes of uranium to the year 1999-2000.

Considering that the Government appears bent on uranium development at a somewhat faster pace than the judge envisaged, those estimates could be on the low side.

However, technical considerations may in future be swamped by political ones. Australian politics, since the 1975 dismissal of the Whitlam Government by the Governor-General, have become bitter.

The Labour Party has adopted a policy of a moratorium on uranium development until the nuclear wastes and safeguards issues are satisfactorily resolved. The Australian Council of Trade Unions is expected to endorse that policy shortly.

The Labour Party's national conference in July went out of its way to create maximum uncertainty about its policy on uranium. Stuck with the "understanding" Mr Fraser can at least ridicule Labour threats to repudiate

usual shades of opinion within the Labour movement on the issue. Mr Gough Whitlam and Mr J. Hawke, ACTU president, assumed either that a coalition would be retained the next Lower House election, or that if Labour won office, it will change mining to proceed.

Mr Mackay, who is a chairman of the Uranium Producers' Forum, says it is inconceivable that a Labour Government would terminate large industry providing many jobs and a needed export income. He claims that the Labour Party is well known for its "irresponsible opposition and irresponsibility in government".

Mr Grey refers to the Labour Party's "irresponsible" stance on the uranium issue. He says the Labour Party is well known for its "irresponsible opposition and irresponsibility in government".

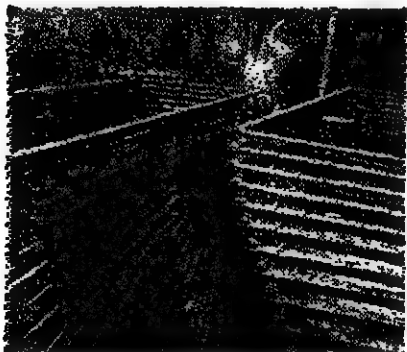
He is able to exploit the Labour Party's 180° swing on the uranium issue from its policy when in government. Mr Whitlam, the then Minister for Minerals and Energy, had ambitious plans to mine uranium, the latter also wanting big-scale enrichment projects.

They drew up a memorandum of understanding with the Peko-EZ group in which the Ranger project would be a joint venture with the Government, contributing 72.5 per cent of the capital and the companies 13.75 per cent each. No proceeds from sales would be divided equally between the Government and Peko-EZ.

The incoming Government was reluctant to do this agreement, but the companies were only too pleased to have the Government as partner. Stuck with the "understanding" Mr Fraser can at least ridicule Labour threats to repudiate

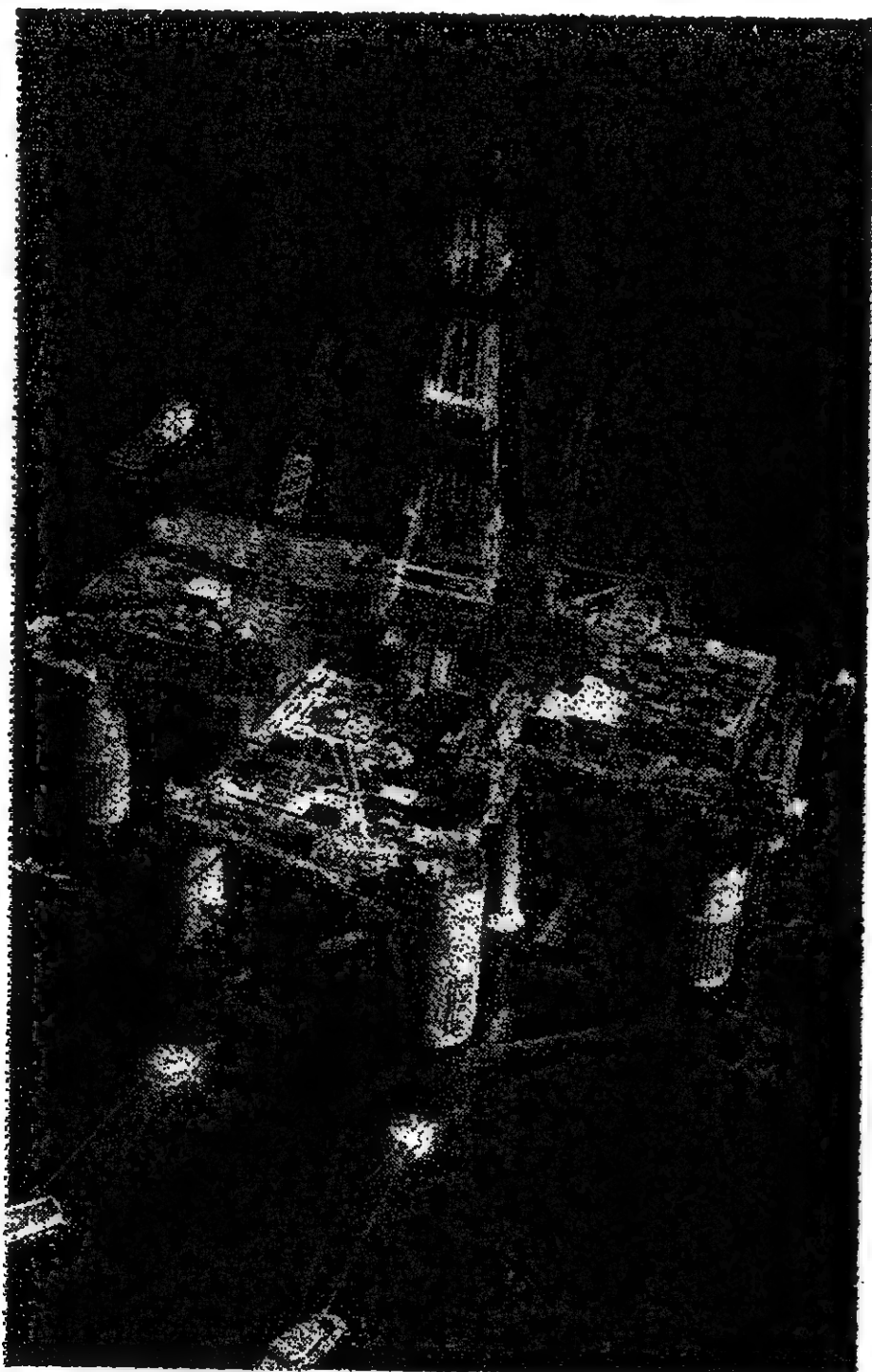
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In little over a decade, Western Australia has become the world's second biggest producer of iron ore. Now, the stage is set for the largest single mineral undertaking ever attempted in Australia—the development of the natural gas reserves at the North West Shelf, on current estimates the fourth biggest field in the world. When the natural gas is in production the liquefaction plant will be biggest in the world.



Western Australian manufacturers are successfully fabricating for export markets.

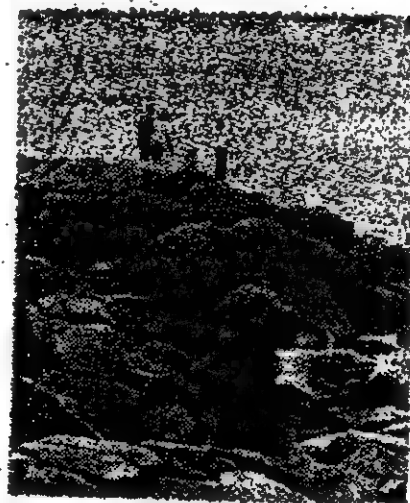
Quite apart from the plans for our natural gas, the iron ore industry is in the throes of expansion and the international oil industry is starting a new \$150 million program of exploration. Western Australia's economy will receive even more impetus with the new projects for alumina, nickel, uranium and other vital minerals.



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Solar energy outlook far from sunny

by Sally A. White

The Government's decision to approve uranium mining has not meant the end of the mining companies' difficulties.

Perhaps even more important than the vocal anti-uranium demonstrators is the threat of a resources tax on uranium sales. The details of the tax are still unclear, but Mr Doug Anthony, the Minister for National Resources and Overseas Trade, is on record as saying some of the revenue will be channelled into solar energy research.

There is little doubt that scientists working on more than 20 separate solar research programmes throughout the country need a financial boost. One programme aimed at developing a small nuclear power house prototype will need the end of the year if funds are not found.

The total 1977 solar research budget for Australia was only \$1.5m, of which \$1.3m went to the solar energy studies unit of the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

However, lack of funds is not the only thing holding back Australia from regaining the leading position in solar research. The past year has seen growing awareness of the multiplying effect of poor coordination between research groups and the absence of a national energy plan. The extent of the fragmentation is shown by the fact that no one can state the amount spent by groups other than the CSIRO on solar research.

In 1956, when the CSIRO began developing flat-plate solar collectors for domestic water heating, it seemed that Australia had the natural advantage to make it a leader in the quest for an efficient solar technology. But the next 15 years saw few new investigations.

Then came the strengthening of the environment lobby and the oil crisis of 1973, and Australia, although less affected than most of the industrialized world, began to pay more attention to alternative energy sources. However, unlike Europe, the United States or Japan, with its 25-year \$100m a year Project Sunshine, direct government support or interest was minimal.

Solar energy projects were started in university or technological institute to compete with numerous other research programmes for the crumbs of a small research budget cake.

Even within the CSIRO solar collectors supplement solar energy had to fight an oil-fired boiler to heat

for a slice of the authority's small total energy research allocation.

Last year the politicians entered the arena with the establishment of a standing committee on solar energy. Its first task was to review solar energy. This year the committee published its findings and the picture was far from sunny.

Research programmes lacked direction. The committee's impression that Australia led the world in solar research was "quite" far from sunny.

To the distress of the research teams, the committee recommended that there should be no separate increase of funds for accelerated solar energy research until a national energy policy was formulated. The implication was that the solar advocates would have to coordinate the thrust of their research before it was given priority.

The committee isolated three areas in which solar energy could meet government requirements once commercial technologies were developed. They were the industrial use of low temperature heat up to 120° Celsius, the heating and cooling of buildings and small-scale electricity generation.

There was, it said, no value in continuing to refine techniques for domestic water heating although CSIRO research into agricultural use of low-grade heat in wood kilns and dehydrating skills could prove fruitful.

About 25,000 Australian houses already have solar systems which supply between 60 and 80 per cent of hot water needs. Several Federal Government authorities and the South Australian Government encourage the installation of such systems in government housing. The local manufacturing industry exports complete systems and components to nine countries as well as serving the growing home market.

Domestic hot water heating had become a commercial, not a research, matter. The warmer Australian climate means that domestic energy use is much lower than in Europe and the United States, where heating raises domestic consumption. But manufacturing industry uses about a third of Australia's primary energy, so the use of solar heat there, particularly in the country's short of fuel oil, could mean substantial cost and energy savings.

The CSIRO, using conventional flat-plate collectors, has started a pilot project with a solar drink bottling in New South Wales where research had to fight an oil-fired boiler to heat

can. About 40 per cent energy used in food processing is in the form of heat between 60°C and 120°C.

Solar energy for the food processing industry has never been a top priority in Australia. The climate in the 10 per cent of the land area where 90 per cent of the population lives is little more than a winter wonderland or a summer inferno.

While the CSIRO does some research, best practice and heat it seems the most practical advances will be in solar methods, like solar water heating and architectural solutions.

It is hardly surprising that the most important for Australians, those who live in the isolated towns and inland towns, north and west, know that solar energy is a viable, cost-effective life. And these Australians who benefit from research small solar gas plants. Distance makes cost of connecting consumers to normal electricity supply grids is too high.

They are desperate for power and are off to power diesel generators. When high performance collectors are used, Queensland University plans for a small gas plant to supply a 25kW to 250kW suitable for industrial and domestic use. For the towns, small power is needed and the Australian research area has been done.

The ANU group, Dr Peter Carden, has developed a solar model. Reflector dish solar energy to ammonia to hydrogen nitrogen which is cooled and stored. Energy can be as from the gases in power steam turbines the reconstituted and recycled through a cycle. Dr Carden says that within 10 years electricity for a 10,000 to 20,000 people.

It is this project's activities for the end of the year funds are found. But have been recent that Saudi Arabia is interested in financial backing. Observers warn that such a project may fail to fall victim to government cutbacks.

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Western Australia

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Recession unsettles Japanese trade connexion

by Peter Cairns

The signing of the first Australia-Japan trade agreement in 1957 was a personal triumph for Mr (later Sir) John McEwen, Minister for Overseas Trade.

Many people without his vision saw no economic justification for the agreement, under which the two nations accorded each other most-favoured-nation tariff treatment. These sceptics remained the fierce lobby to Britain and the Commonwealth which had been the hallmark of Sir Robert Menzies's long prime ministerialship. Japan was part of Asia which, in the Menzies era, Australia tried to pretend did not exist.

Sir John McEwen was an exception to this rule. He saw the potential for tremendous economic growth in Japan and the South-east Asian area in general, and he wanted Australia to be part of it. Changes in the Australia-Japan trade pattern in the 20 years since that historic agreement show how right he was.

In 1957-58, Japan was well down the list of trade partners—buying 12½ per cent of Australian exports and supplying only 3 per cent of her imports.

By comparison, the traditionally dominant United Kingdom market took about 27 per cent of Australian

exports and supplied a massive 41 per cent of Australia's imports.

Latest figures show that Japan now buys about 34 per cent of Australian exports, making it easily the country's biggest overseas market. Japan's dominance is emphasised by the fact that the second biggest individual export market is the United States, with an 8.6 per cent share. The United Kingdom share has slipped to a small 6.4 per cent for the 11 months to May 1977.

On the import side, the trend has been similar. Japan recently became, for the first time, Australia's biggest single import supplier with a share of just over 21 per cent. The United States holds second place with a 20.6 per cent share, while the United Kingdom again lags at 10.9 per cent for the 10 months to April 1977.

The basis for the Australia-Japan trade expansion has been the almost perfect complementing of the two economies. Australia is rich in iron ore, coal and other minerals, as well as foodstuffs. It has a relatively small but efficient population spread sparsely over a vast land mass. In direct comparison, Japan is a small, densely populated country, almost devoid of natural resources, but with an industrial and tech-

nically proficient labour force.

The result—Australia has fed the factories and factory hand of Japan, and Japan in turn has supplied a wide range of finished goods for the small but rich Australian market.

It was inevitable that during the honeymoon period of this new association, Australia's traditional trade ties with the United Kingdom and Commonwealth Europe would weaken considerably. The development of the EEC (particularly since Britain joined in 1973) with its self-protective trade barriers only hastened this decline.

At the same time, while Australia's trade links with South-east Asian nations other than Japan have developed gradually, they have also been overshadowed by the dominant Australia-Japan connexion.

In recent times, however, this connexion has shown signs of strain. The strain has coincided with a pause in the strong economic growth that characterized both economies during most of the 1960s and early 1970s.

In the boom times, the Japanese steel mills could not get enough Australian iron ore and coal, while Australian consumers embarked on an orgy of buying Japanese cars and electronic goods.

Now, with the world recession continuing, Australia is finding the Japanese less prepared to honour price and volume commitments on the purchase of products ranging from iron ore to sugar. Australian beef producers, also facing hard times, are unhappy that the Japanese will not buy more, while the aggressive tactics of Japanese fishermen have caused considerable discontent among their Australian counterparts.

The Japanese, in turn, point to the heavy trade imbalance in Australia's favour, and complain about the high import duties on Japanese cars and the quotas on textiles and other imports.

Japanese concern also has been growing about the level of industrial unrest in Australia and the effect this has had on the availability and delivery of exports. As a result, Japan is now openly developing alternative sources of supply for key products such as iron ore.

Little wonder then that Australia is now coming to the conclusion that perhaps it has placed too many of its trade eggs in the Japanese basket. This realization has in no small way been responsible for the increased attention Australia is now again paying to the European market, after 20

years of allowing it to wither on the vine.

Mr Malcolm Fraser, the Prime Minister, was shocked by the unenthusiastic response he received a few months ago from European trade negotiators. He had been hoping to use his trump card—the promise of access to uranium reserves—to gain increased markets for beef and other primary products. But, only did the bureaucrats of the European Commission show little interest in this package—they wanted to cut back on Australian steel exports to Europe.

Mr Fraser was so concerned that immediately he returned home he appointed one of his brightest young ministers, Mr John Howard, to the newly-created post of Minister for Special Trade Negotiations with the European Economic Community.

But it is hard to see Mr Howard making much of an impact. For the fact of the matter is that Australia is of little significance on the European trade scene these days. Exports to the EEC represent only about 1 per cent of total EEC imports, while in recent years only 2 to 3 per cent of total EEC exports have gone to Australia.

The same does not apply in reverse, however, as after the second largest trading partner, taking about 15 per

cent of her exports and supplying about 27 per cent of her imports, mainly manufactured goods.

Australia's hopes for trade expansion in the immediate future look far better closer to home among the smaller, developing Asian nations.

Ironically, the Japanese industrial boom has been responsible, in part, for changing Australia's trading pattern. For, with the increasing westernization of Japan and the growing influence of its population, one inevitable side-effect has been the gradual diminution of the labour cost advantage which for so long was a main factor of Japanese success in world markets.

As a result, today Australia is experiencing a similar cycle, on a smaller scale, with a number of other Asian countries—most of which are expanding their industrial development and creating new demands for Australian raw materials and foodstuffs.

Australia has recently come under pressure from the ASEAN group to lower tariffs and allow increased sales of the group's products. The ASEAN objective is to reduce the heavy trade imbalance which has traditionally existed in Australia's favour.

The author is with the ANZ Banking Group.

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Political price ties for protecting local manufactures

by Tony Thomas

Australia's manufacturing industry is having a lot of difficulty coming to terms with its international environment. Barriers against imports from nations with low-cost labour are rising rapidly but the cost to consumers and the adverse diplomatic reactions are becoming political embarrassments for the Fraser Government.

None the less, the protectionist forces, with whom the Prime Minister is friendly, are going to be in the ascendant for some time.

The Industries Assistance Commission (IAC)—the Government's advisory body on protection—disclosed in July that the cost to consumers of keeping the clothing, textiles and footwear industries afloat was at least \$800m a year. The IAC recommended that in the long run, the industries' protection should be cut back to the normal level for Australian manufacturing industry, despite the severe regional and manpower difficulties that would result.

Mr Fraser's response was to launch a strong attack on the commission as a "job export authority", and he is

working on plans to rewrite the IAC Act and possibly to disband the IAC's senior research staff. Not since Mr John McEwen, the former Country Party leader in the late 1960s has the institutional framework of tariff-making come under such threat.

While Mr Fraser's term "job export authority" had entirely unfavourable connotations, realists would concede there is some truth in the description.

Large numbers of Australian manufacturing employees are paid \$150 to \$200 for work that is done in the Philippines, Malaysia, South Korea, and Taiwan for a tenth of that pay. Under Australia's wage indexation regime, local workers' pay increases each year by an amount equivalent to the entire wage of workers in those countries.

The problems that once seemed over the horizon are now immediate and acute. For example, Australian female award rates, thanks to inflation plus a rapid move to equal pay with males, have jumped 66 per cent since mid-1974.

The 1970s have also seen the huge growth of Australian mineral export revenue which necessarily puts pressure on import-competing manufacturers by the

balance of payments. Australia is set to become one of the world's great energy exporters, with coking coal exports already of massive dimensions, meaning coal coming up as a new growth area and uranium and liquefied natural gas likely to take over the running from the mid-1980s.

Whether through an uncomfortably high exchange rate or persistent inflation, the labour-intensive manufacturing sector will continue to face severe adjustment problems.

Cheap and nasty end of market

Nor do the problems end there. Where once Australia's Asian neighbours produced for export at the cheap and nasty end of the shoe and shirt market, many of them are now using foreign investment and technology to advance into the quality arena.

At the same time, the more advanced nations like South Korea, Taiwan, Singapore and Hongkong are diversifying away from light industrial and export goods machinery and other higher technology metal products.

This suggests that the dif-

ficulties facing the country's clothing, textiles and footwear sectors are to be duplicated later in its sprawling, fragmented metal trades, which have enjoyed for 40 years tariff levels that originated during the great depression.

While most Australian manufacturers hope for conservative policies (lobbying for "guaranteed market share"—the latest vogue in industry and government circles), a minority is making enhanced interest in offshore investment and production.

Australian investment abroad in labour-intensive production for reexport back to Australia is logical though far from smooth sailing in practice. For example, clothing joint-venturers in the Philippines and Malaysia discovered that they were hampered in reexporting to Australia because of numerical quotas.

Australian investors in Indonesian projects have quickly run into unforeseen problems including bureaucratic inefficiency, delays with customs, broken undertakings, and what are euphemistically described as "unofficial charges".

These investment programmes remain intensely controversial, partly because of the recession and partly because the concept seems

rather new and daring for a country so long dependent on direct investment from the United States and Britain. The Prime Minister, for example, harped on the problem of Australian investment abroad as one justification for his 17.5 per cent devaluation last November.

The important investments by ASEAN countries, company and project, are—

Indonesia: James Hardie, asbestos products; Commonwealth Industrial Gases, gases; Tubemakers, steel pipes; Colonial Sugar Refineries, Ready-mix Concrete; Blue Metal Industries; Australian Dairy Products Board, milk products.

Investments with Indonesia

As at July 30, 46 projects involving Australian firms have been approved by the Indonesian Government, involving a joint commitment of about \$156m. Australia's trade agreement with Indonesia provides for Australia to facilitate Australian investment in joint ventures, and for Indonesia to accord most favoured nation treatment to Australian investment.

Singapore: Humes, steel pipes; Gas Cylinders, asbestos cement pipes; Vickers (Aust), forestry; John Lysaght, building materials; Clyde Industries, engineering.

More than 50 Australian firms are involved in manufacturing in Singapore. They have found the Government accommodation and no specific problems are being encountered.

Thailand: Australian Consolidated Industries, glass and glass fibre products; Australian National Industries, forage; CIG, industrial gases; SAFCOL, fish canning.

Most Australian ventures are highly regarded by the Thai and SAFCOL's fish processing venture is often cited as a model foreign project. The Thai Government encourages further investment but Australian investors in the past have had problems with red tape, locating a suitable partner and customs difficulties.

The Philippines: ANI, forage and machine tools; COMALCO, aluminium extrusions; ACL, insulation and packing products; Bradmill, garments.

The JANI forging plant in the Philippines is an important part of the country's car-making industry.

The 1975 trade agreement is yet to be ratified. The Philippines has become resentful of Australia's import barriers, and has retaliated through bureaucratic delay and harassment of some Australian exports, particularly steel. Both governments pretend this discrimination does not exist, but some companies know otherwise.

Malaysia: Humes, concrete pipes; REPCO, automotive parts; BML, concrete.

About 50 Australian joint ventures operate in Malaysia. Encouraged by the local investment policies red tape is still proving irksome, and there have been reports that unofficial discrimination against Australian exports has occurred, though evidence is less clear than in the case of the Philippines.

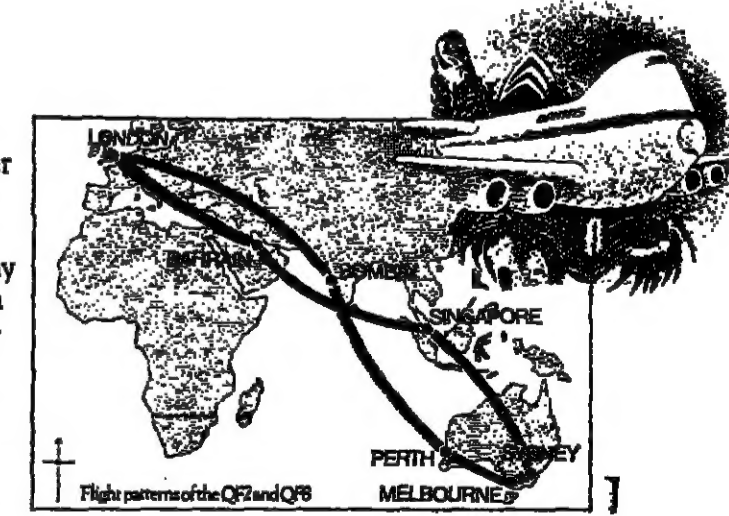
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by Neil Mitchell

Australia is in the middle of one of its most severe periods of union-busting. The country's economic problems are being blamed on everyone from the far left in the unions to the much-publicized ideas of one senior minister, "pommy shop-stewards".

Labour leaders see attacks on unions as a diversionary tactic. They say the Government is trying to distract attention from its economic bungling and plans to fight an election on the industrial relations issue.

Their cynicism is probably at least partly justified, and is another illustration of just how much unions can influence the course of Australian politics.

In a country which likes to regard itself as some type of middle-class egalitarian Utopia it is surprising that anti-union tactics could work. Most people belong to a union, but few are active members. (Probably one of the reasons many immigrants do emerge as leaders—they are the only ones concerned enough to want the jobs.)

It is a combination of this egalitarian concept—which forces people to join unions—and the general capacity which favours unions open to manipulation by the minorities—that makes Australia's union movement immensely powerful and involved in the mundane aspects of living.

It was the union movement that spawned the Australian Labour Party as a political wing for an industrial organisation. It was the union movement which provided much of the finance and impetus that brought that party to power in 1972. And it was the same movement which con-

tributed greatly to the downfall of the same government at the controversial election of 1975.

The political animal had succeeded, but it had forgotten its origins. It was arguing for economic expediency such as a social contract—and talked in terms of restraining wages. This was seen as treason.

The head of the country's unions was then, and still is, head of the ALP. The positions are rarely without conflict, and Mr Bob Hawke's juggling of the two hats has become legendary.

He has been largely responsible for the recent increase in power for the union movement. As head of the Australian Council of Trade Unions he leads almost two million workers in most industries.

He has emerged as a respectable, acceptable and reasonable leader. A negotiator, settler of disputes and a political pragmatist, he commands and wins the personal attention of industry chiefs. He automatically receives the immediate attention of prime ministers, conservative and radical.

He calls himself a democratic socialist and is on the way to making the concept acceptable to a country which until recently believed a socialist was simply a "red".

When Labour won power in 1972 Mr Hawke led the majority. He was the difficult days of power because gloomily he was among those who openly criticised the Government.

It is obviously not Mr Hawke alone who has made the unions so powerful. He has capped it off, made unionism more popular and given it an articulate voice. But there remains a core of senior union officials who are cunning in the winning and exercise of an almost omnipotent power.

Power of unions could be election issue

In the late 1960s and early 1970s as workers were riding high on the benefits of inflation, these leaders consolidated their power. Workers were receiving unprecedented wages and working conditions. They were convinced that the improvements had been won by their own leaders and their own militancy.

Some of these leaders are communist, but most are not. The majority have managed to assess and manipulate their membership to allow a strong union involvement in social issues as well as the basic concerns of industrial matters.

As the economy and unemployment worsen, industrial battles are less frequent. The last for militancy can be exercised through a righteous social involvement.

A classic example of such a success story is that of Mr Norman Gallagher, the federal secretary of the 30,000-member Building and Construction Workers Federation. A former boxer, devoted Marxist and cunning strategist, he has developed from the instability of the labourer workforce of building sites one of the most influential unions in the country.

In a matter of years his union has grown from \$2 and a second-hand car to a wealthy businesslike organisation. He loves power and using it and is determined to retain it.

Despite their feuds, Mr Gallagher and Mr Jack Munday, the union's New South Wales secretary, have done a lot to increase the social power, involvement and influence of the union which would not serve his interests.

They taught Australia about "Green Bands"—the use of industrial power to tie up millions of dollars worth of building work as a protest against demolition or the plans for new buildings.

In Melbourne, they banned the city's extravagant City Square project because it would have involved the destruction of an old cinema. They stopped the sand mining of Fraser Island—the world's largest sand island—because they believed it would be destroyed. Bans on motorways are the norm, and action is frequently taken against projects which would cause pollution.

At one stage Mr Gallagher banned construction work for an entire hotel chain because it had introduced "push" public bars which would not serve his members, fresh

from the construction. It is people like Mr Gallagher and Mr Hawke, poles apart, but united in power—who have the Australian union movement in a position of its probably unequalled in its history.

People like them, lined with sympathy, the rank-and-file men leads to the content of power in a few clever hands and you can see a unity of approach, brings a unity of power influence.

This is the type of man which will prompt a Federal Government to consider its one reason or another, desired relations and power over the men which the people choose their government.



Mr Robert Hawke: making democratic socialism respectable.

Legislation to improve women's lot loses momentum

by Iola Mathews

When I lived in London 10 years ago I was shocked by the lower standard of living compared with Australia. Although my flatmates and I had "professional" jobs, we found that a bottle of wine, a bunch of flowers or a new dress were luxuries which had to be budgeted for carefully.

Back in Australia I found a land of plenty—and it still is for a single person. Inflation and unemployment gallop ahead, but some sections of the population hardly notice.

If you are single you can earn enough (even as a typist or shop assistant) to buy a car, rent a flat, buy new clothes every week and make a foreign holiday.

The average Australian woman marries in her early twenties and works for a couple of years while she and her husband pay off this block of land and new house, probably in an outer suburb of one of the big cities.

Materially, Australian women are still better off than women in Britain and most other countries. We make so much for granted—sunshine, limitless supplies of fresh food, space for children to run around in and the right of everyone to own their own house and garden.

Despite all this, however, the suburban dream has turned sour for many. Countless Australian women now suffer from "suburban neurosis" and fill their days with television and sedatives to ease the boredom and loneliness.

Increasing numbers of Australian women are turning their backs on home-making and joining the workforce. Two-thirds of married women now work. Overwhelmingly they work part-time work, but it is rarely available.

They soon become so used to the things that two incomes can buy that it becomes economically impossible to stop working.

The working woman finds companionship and sometimes intellectual stimulation, but she pays heavily in feeling guilty about neglecting her children, and in having her "second" job waiting as soon as she gets home. While dad goes to the football at the weekend, she



Women office-workers enjoying their lunch break in Australia Square.

catches up on the week's housework.

In many ways though, Australian women have never had it so good. In the past five years there have been more legislative changes to help women than in the whole of Australia's history. Women have gained equal pay and a fixed minimum wage and companies have been set up to look into discrimination in employment on the basis of sex.

The Commonwealth Public Service, trying to set an example to other employers, extended maternity leave, introduced paternity leave, opened all jobs to both sexes and extended flexible working hours.

Federal funds have been allocated for the first time for family planning and sex education, and contraceptives have been made cheaper. Family courts have been set up to make divorces speedier and more humane, women's health centres, women's refuges and rape counselling centres have been set up and legal abortions are more readily available.

Local councils have set up women's drop-in centres and study centres; pensions for widows, single mothers and deserted wives have been increased. A great deal more government money has been spent on child care, and for a while government retraining schemes were available for almost any housewife who applied.

Expert committees have looked into sexism in schools, more girls are staying on at school, and going on to tertiary education than ever before, and women are daily breaking into traditionally all-male occupations. Women are being appointed to top positions and committees and all political parties now have women's platforms.

The irony is that much of this has escaped the notice of the ordinary Australian woman. Most of the changes were introduced by a Whitlam Labour Government, but it was the woman's vote more than the man's vote which kicked Mr Whitlam out of office in 1975.

Now some of the reforms are being reversed by a Conservative Government which sees a reduction in welfare and public sector spending as a prerequisite to economic recovery.

Not surprisingly, the women's movement is in the doldrums. It is no longer possible to make quick dramatic gains for women. Membership of the Women's Electoral Lobby, which helped to bring about most of the legislative changes in its lowest level, and the emergence of a right-wing, Catholic-based women's group, which is a "anti-women's lib" has given politicians another voice to listen to.

It would be shortsighted of women in Australia to measure feminist support well compared with only in terms of "paid-up" around the world.

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Why immigrants become disillusioned

by Virginia Duigan



A Greek miner shelters from the heat in the shadow of a vehicle. Immigrants from Greece and Italy tend to settle more readily than those from Britain.

The average Briton who emigrates to Australia still fondly imagines he is coming to an extension of the United Kingdom—a larger, more spacious country with a glorious climate, plentiful well-paid jobs, big houses and bronzed, healthy children. Australia, he reasons, is part of the Commonwealth. It speaks English and has a common cultural heritage. Anyway, it is not a foreign country, not like Morocco or inland of the Costa Brava.

The Australian Department of Immigration is belatedly realising that it has been substantially responsible for maintaining this widely inaccurate conception. That it is largely misleading (one might add, since people's lives are profoundly affected, irresponsibly so) can be inferred from the figures of former British settlers who decide to leave Australia permanently.

In 1963-73, a time of heavy wooing of British immigrants, 671,883 people arrived from the United Kingdom. There were 134,243 departures, a loss of just over a fifth and a monumental waste, both financially and for the lives of the persons concerned.

There has been a steep plunge in the migrant intake over the past three years but the reduced figures tell a similar story. In 1975, 17,800 settlers arrived from the United Kingdom and Ireland and 10,000 people departed permanently. This seems more startling than it really is, however, since most people were not arriving and leaving in the same year. Nevertheless, the surplus of arrivals over departures was only 7,700.

The latest available figures are for the December quarter of 1976. There were 5,200 Britons who arrived with the declared intention of settling in Australia and 2,500 former British settlers left.

Until recently, about an eighth of British immigrants tended to return, over five years. The drain usually occurs after two or three years—of the original intake in the early 1970s, 10 per cent had gone by the end of their third year. After 10 or 15 years, the loss leaps to about 25 per cent. But, as a member of the demography department at the Australian National University observes, lately they are tending to go a bit quicker.

Significantly, the returning settlers include a large number of families. It is easy enough for young single people to pack up and go; much harder, and with more severe repercussions, for a whole family. One can speculate that they must have, or think they have, some very good reasons for going home.

Investigations have suggested that returning migrants fall into three categories. There are the foot-loose wanderers who come and go. There are those whose return is caused by changes in family circumstances, perhaps the illness of an elderly parent, or

Environment seems subtly off-key

The Australian urban scene often gives the impression of having grown and itself at random with haphazard streetscapes and vast, desolate suburban sprawls. Sydney has one of the world's most spectacular natural settings, yet it has a rather flat, Melbourne, with its Victorian buildings, but those that have not been demolished now coexist with stark modern office towers in an uneasy and visually oppressive alliance.

It is easy to underestimate the subconscious psychological jolt of an environment that seems not so much alien as subtly off-key. There is a cosiness about British provincial life that is quite foreign to Australia. Most Australian people lack the intimacy and warmth of the old local; the harmony and mellowness of ancient stone are missing from the cities.

Britain is more manageable and vastly more snug. Many intending settlers arriving with the best will in the world find the Australian lack of snugness obscurely intimidating. The realization that you are uprooted from friends, relatives and familiar surroundings, that you are moreover demographically isolated from what you have known as the nerve-centre of Europe, can be like a chill wind.

There is also, paradoxically, far greater evidence of European settlement in Australia. Greek and Italian influence is particularly strong in the big eastern seaboard cities, with increasing contributions from life or in Australia.

City folk take to the bush

by Stewart Harris

Canberra, which is just getting past its derogatory reputation as a "bush capital", is perhaps a reasonable home from which to write about the Australian city and Australian country. They are still too far apart but they are becoming closer. "Sydney or the bush" was the historic cry of Australian gamblers. Now the choice is not so stark.

There is a ferment of economic and social, and even philosophical change working its way through the nation, causing unhappy divisions but also new understandings as the old geographical exclusiveness breaks up. People are probing into places where they are not expected. The extreme example is Nimbin, in northern New South Wales, where the country folk have become accustomed to communes of the young and radical and city-educated. Mutual learning and respect have been one quite surprising result.

Or perhaps not so surprising, because for several years a television saga of life in the country town called *Selfish* has been shared nightly by families good yarn, spun with realism by the Australian Broadcasting Commission, has simply reported what is happening, preparing us all in a painless way.

The grangers, with huge holdings, who were never popular, are not as rich and powerful as they were. So they can no longer be such social snobs, dividing the nation and nourishing a special Country City, which would be unthinkable in a small, homogeneous Britain or New Zealand.

Nowadays the city's rich and powerful are "going bush" themselves, which is muddling the Country City. Doctors, dentists, lawyers and businessmen are buying properties, partly to cut their income tax and develop some assets for old age, and partly because the biggest cities have greedily enriched themselves. Some of the affluence are leaving Melbourne, for example, where rating and land tax systems based on unimproved capital value have

tempted the rich to replace fine old buildings in Collins Street with office blocks.

Now, disliking their excessively profitable but inhospitable cities they are seeking to discover country life, commuting, or retiring early. More ordinary Australians have also ventured into the bush, learning the practice of farming, part-time. We protect our land and our stock with wages and salaries, because it is difficult to make a decent living out of rural industry.

"The incidence of income poverty is highest in rural areas", Professor Ronald Henderson wrote many years ago in his monumental report into poverty. The Bureau of Agricultural Economics has just concluded that "the downward trend in farmers' terms of trade seems certain to continue".

In the country, within a couple of hundred miles of the cities, where the mass of Australians live, a benign change is turning utilitarian towns into places of character, loved and respected as are the best of British villages.

Army officers given grants of land

Typical of them is Braidwood, where we sell our cattle and where strangers have come to live, because blocks of land and houses are cheaper in the bush and because they prefer an historic town to a developer's suburb.

Braidwood dates from 1839, six years after Dr Thomas Braidwood Wilson, a surgeon in the Royal Navy, was granted the first 2,500 acres of what became a 12,305-acre estate. As the *Sydney Gazette* said in 1824: "Dr Wilson has not only attended to the bodies of the unfortunate exiles committed to his care but also studied with every possible means to enlighten and improve the nobler part—the mind." He also imported, successfully, the first of Australia's British bees.

Very soon a variety of Army officers got their grants of land and gave their names to our streets, except for Monkitee, which

was the aboriginal name for Dr Wilson's farm. By 1900 the last of several hundred Aborigines, who had been the convicts, our other pioneers, were long freed. We had also hanged a few bushrangers and in the 1850s had such a gold rush that our district was once the richest in Australia, with thousands of settlers, many of them Chinese.

Riding today in the wilderness of our country, we see clumps of daffodils where the diggers camped and we put down logs across their shafts to stop our cattle stumbling in. We keep our hay in an old stone public house, and Billy Fagan's Creek, where our cattle drink and we swim, was named after its first owner, Irish, of course.

A wooden pub has disappeared without trace, but its owner, Jim Shepherd, lies by the river in a grave which is hard to find until a clump of his comes at Jim's feet in the spring.

I think we run almost as many kangaroos and wallabies as cattle, and the whole of our farm is one of a growing number of wildlife refuges. Owners volunteer to manage their properties according to plans worked out with the National Parks and Wildlife Service, saving native grass, bush and timber, and lagoons.

A Canberra bus driver helps me to shoot wild pigs. Occasionally the *Tullagunda* Times gives a warning that the Southern Tablelands Dingo Destruction Board "is to conduct an aerial baiting campaign on known dingoes trails", and affected owners shift their cattle.

Our neighbours are poets, lawyers, potters, weavers, silversmiths and doctors, as well as the real Braidwood people, cattlemen and horsemen, with the old skills like burning eucalyptus leaves for oil.

In the town itself we can drink beer in a pub which was built in 1839 and enjoy other beautiful colonial buildings, one a restaurant, another selling craftwork and tea. They are guarded by an historical society and an order under the planning and environment commission. We can go to the races and the rodeo and the children ride our horses in the show. So really it is not all mending fences after floods and bushfires.

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